ENDURANCE
Complete Solutions

REINFORCING THE ENDURANCE EDGE

ANNUAL REPORT | **2020-21**

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Endurance is the ability to overcome tough challenges and also the resilience that is imbued in the very persona of an organisation.

It is defined by the capacity to survive and the deep-rooted capability of a company to continue to progress even in an uncertain environment.

At Endurance, we call it the distinctive strength, which enables us to stay ahead of the curve, amid a challenging business eco-system.

We define it as the Endurance Edge, which empowers us to deliver industry-leading performance, coupled with market-leading growth, at all times.

In continuation of our sustained journey of milestone achievements, FY 2020-21 witnessed a new wave of innovative initiatives, as we augmented our capabilities to drive growth, performance, strength and increased value creation for all our stakeholders.

READ ON TO FIND OUT HOW WE WORKED ON REINFORCING THE ENDURANCE EDGE AMID THE UNPRECEDENTED COVID CRISIS.

INSIGHTS FROM OUR MD

Dear Shareholders

Amid an exceptionally challenging macro environment, I am pleased to share that we have reported consistent performance at the back of our prudent business approach and long-term relationships of trust with customers and other stakeholders. Our overall performance, and the growth we posted in the second half of FY 2020-21 after the slowdown witnessed in the initial part of the year, stands testimony to our deep-rooted strengths. We are confident that the learnings of the year gone by will further strengthen our capabilities as we take on new challenges.

COVID impact

The debilitating impact of the COVID crisis, marked by a strict nationwide lockdown at the start of FY 2020-21, led to serious contraction in the Indian economy in the first two quarters. The trigger effect on the industry reflected the overall negativity in business sentiment. The Automobile Industry Associations have pegged daily losses to the automotive sector at around ₹ 2,300 crore due to production stoppage at the automotive Original Equipment Manufacturers (OEMs) and component suppliers on account of the lockdown. However, lockdown relaxations, a good harvest and demand stimulation in the festive season catalysed recovery in the sector during the second quarter of FY 2020-21.

As economic activities started opening up in Q2 of the year, demand uptick became visible, particularly in the passenger segment, leading to signs of recovery in industry growth. The increase in demand was attributed to release of pent-up demand, preference for individual mobility, and strong rural economy.

Owing to the second wave, which led to new lockdowns in various states, our sales in India have once again been affected in Q1 of FY 2021-22. However, drawing from the learnings of the previous fiscal, we have again started taking measures on fixed cost, variable cost, raw materials and CAPEX controls, with full focus on generating positive cash flows. We believe these measures will help us sustain the growth momentum that the Company had witnessed from the second half of FY 2020-21.

Sharpening the edge – from planning to execution

The unprecedented COVID crisis that hit business at the start of FY 2020-21 brought a new set of complexities into operations. It necessitated some prompt and proactive steps to put new policies and plans into action, with increased focus on operational efficiencies backed by cost optimisation. While maintaining business continuity, it also required us to support the society in fighting the pandemic. From providing safety kits and transportation facilities for employees, to setting up a 81-bed Covid Care Centre in collaboration with the local administration in Aurangabad, we put all our resources into tackling the challenges that the pandemic had thrown at us.

Safety measures were strengthened, and customer deliveries were maintained even if it entailed providing safe accommodation for some employees at the workplace during the lockdown period. At the same time, we worked in a focussed manner on fixed and variable cost reduction. We also curtailed capex to protect our cash flow. As a result of our comfortable liquidity position, we did not need to avail the COVID-specific credit lines granted by the lead bank in our consortium. Concurrently, we looked ahead to plan for the resumption of normal business post the lockdown period.

As the situation started easing towards the second quarter of FY 2020-21, we responded with agility to adapt to the new business realities. We adjusted quickly to the new normal of overcoming constraints posed by the unprecedented scenario, and continued meeting our customer requirements. We restructured our systems and processes to maintain business continuity, with strict adherence to the Standard Operating Procedures (SOPs) at the facilities and other workplaces. We initiated several measures to ensure compliance to all norms of hygiene and social distancing at the factories and offices.

At the same time, we accelerated our efforts to become leaner in terms of people. We focussed concertedly on promoting efficiencies, while lowering our monthly fixed cost amounts, variable cost percentage to sales in our plants, direct and indirect material cost, as well as CAPEX. The thrust was on generating free cash flows and steering the Company through the challenging times. We energised our efforts to streamline the supply chain, which was hit adversely by the lockdown restrictions. We also invested in getting our labour force back at the facilities from their places of residence by providing them long-distance transportation. Further, to give confidence to our suppliers, we released payments in time, and in certain cases, also advanced the release of payments to them. We also supported our vendors by providing logistics support to them for supply of material, and even helping them get labour for their operations. These measures enabled us to get all the components on time and to meet the tight schedules of clients, many of whom expressed their appreciation for our efforts.

Our business recovery was further aided by our efforts to maintain quality of our products despite the new work norms, bring greater efficiencies into our systems and processes, and contribute to the holistic development of our people and the communities around which we operate.

The results of these strategic interventions led to quick recovery of our business post the lockdown. The lockdown had a significant impact on our financial performance and had caused a substantial decline in the topline for Q1. However, post July, sales picked up considerably, enabling us to bring growth back on track, as evident in a good set of numbers for FY 2020-21, including in our exports and aftermarket business. Our focussed efforts to enhance our product mix, mainly through offerings in our proprietary business for higher cc vehicles and fully machined castings business, also enabled us to stay on course of growth and value delivery to our stakeholders. We believe that our renewed focus on cost and waste reduction will ensure healthy margins in the long-term too.

We believe that cumulatively, our initiatives of FY 2020-21 have translated in the reinforcement of the Endurance Edge during the year, across every parameter of importance – from trust to leadership, quality, innovation, efficiencies, people, safety and sustainability.

Way forward

The success of our strategic reorientation in a year that threw up unpredictable challenges has empowered us with a strong and competitive edge, which prepares us to tackle any challenge effectively in the fast-transforming external environment. Led by our commitment to drive inclusive progress and value creation for all stakeholders, we shall continue to focus on growing sustainably in our existing business, and in new areas targeted through organic and inorganic means.

At the heart of our strategic approach for the future will be our consistent thrust on technology upgradation, quality improvement, cost competitiveness, environment, health and safety. We shall explore areas of profitable growth, in terms of both products and geographies. We will further strengthen our focus on more value-added and profitable product mix in our future business. The objective will also be to supply components from all our four product segments to all OEMs in the next few years.

We also see significant opportunity for expansion and growth in EV and hybrid vehicle applications in the coming years. We are also looking at harnessing the growth potential in the aftermarkets in new geographies and launch of more value-added traded products.

I am confident that with your support and cooperation, we shall continue to chart more milestones of success in our onward journey. On this note, on behalf of the Management and the Board, I would like to thank all our shareholders, customers, supply chain partners, technology partners, and all our employees for standing with us through these turbulent times.

Anurang Jain

Managing Director

PERFORMANCE HIGHLIGHTS 2020-21

In a year of extraordinary challenges, Endurance Technologies stayed on course to deliver excellence in operational and financial performance.

KEY HIGHLIGHTS

27
Manufacturing plants globally (18 in India; 9 in Europe)

3,800
Employees

Tier 1
Supplier to Major OEMs

Among top 200 companies
In India (based on market cap)

Among the largest
Aluminium Die Casting companies in India

(As of 31st March, 2021)

OUR ANNUAL CONSOLIDATED FINANCIALS REMAINED ROBUST DESPITE A LOCKDOWN IMPACTING H1 OF THE YEAR. NET DEBT CONTINUED TO BE NEGATIVE.

₹65,777 million
Total Income

₹3,116 million
Aftermarket sales

16.3%
EBITDA

7.9%
PAT

16.9%
RoACE

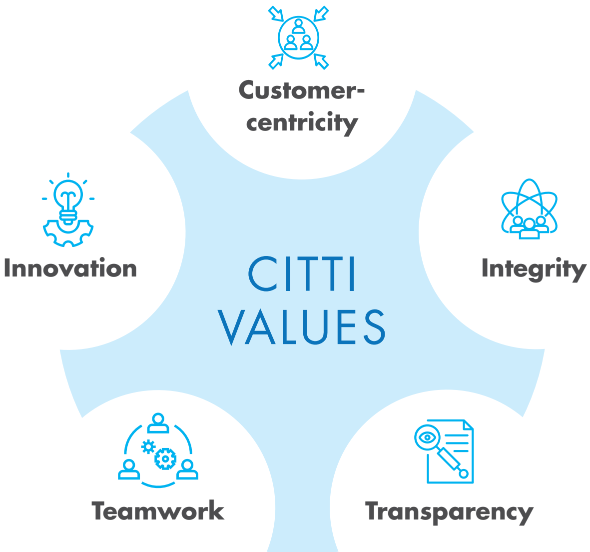
THE ENDURANCE EDGE

One of India's largest auto-components companies, Endurance Technologies is an end-to-end solutions provider for aluminium die-casting, suspension, braking systems and transmission products. We are a trusted and reliable partner for our OEM and Aftermarket customers in India and Europe, with our diversified product basket and excellence in product development and manufacturing.

Company snapshot

Having commenced operations with two aluminium die-casting machines in 1985, Endurance has come a long way to stand out today as a leading Tier 1 automotive component supplier of technology intensive products. Our presence spans India - where we cater to the 2-Wheeler, 3-Wheeler and 4-Wheeler markets, and Europe, where we deliver precision-engineered products for the 4-Wheeler market. As a Tier I supplier for leading Indian and global brands, we are consistently focussed on driving performance-led growth and accretive value for all our stakeholders.

The values edge



The edge of clear direction

OUR VISION

To grow as a complete solutions provider of automotive components and systems, having a global footprint in our chosen product portfolio.

OUR MISSION

To achieve and maintain leadership with a focus on technology and product reliability, environment and safety through a participative work culture of transparency and ownership.

OUR PHILOSOPHY

To ensure profitable growth.

Endurance to be a 'First Choice' supplier to all its OEMs.

To grow as a complete solutions provider of automotive components and systems having a global footprint in our chosen product portfolio.

OUR PURPOSE

Continuous value creation for Customers, Employees, Investors, Vendors and all other Stakeholders.

OUR GOAL

To be present in every 2-Wheeler in the world.

The Critical Component Supplier Edge

As a market leading auto-component manufacturer and supplier, we have developed a wide range of technologically advanced innovative products to meet diverse needs of OEM and aftermarket customers.

INDIA BUSINESS

Mainly 2-Wheeler and 3-Wheeler

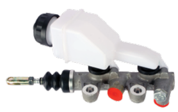
Aluminium Alloy Wheels

Clutch Housing

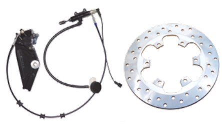
Shock Absorber

Inverted Front Fork

Clutch Assembly



Tandem Master Cylinder



Disk Brake Assembly & Brake Disk

Aftermarket Sales

OVERSEAS BUSINESS

4-Wheeler

- Aluminium Die Castings and Machining of:
  - Engine parts
  - Transmission parts
  - Body, chassis and structural parts
- Machining and Assembly of other Metallic Components like cast iron and steel
- Transmission systems (for 2-Wheeler)
- Speciality Plastic components

Significant presence in Hybrid and Electric vehicles

CASTING BUSINESS

Aluminium die-casting

- High pressure
- Low pressure
- Gravity
- Alloy wheels

PROPRIETARY BUSINESS

Suspension

- Front forks / Inverted front forks
- Hydraulic gas filled shock absorbers / rear mono shock absorbers

Transmission

- Clutch assemblies
- Continuous variable transmission (CVT)
- Cork and paper-based friction plates

Braking systems

2-Wheelers

- Disc brake system
- ABS (Anti-lock braking system) assembly
- CBS (Combined braking system)
- Brake hoses

3-Wheelers

- Tandem Master Cylinder
- Hydraulic drum brake systems

We are in the advanced stage of testing clearance for our ABS brakes project, with operations expected to commence in FY 2021-22.

Our B2C Edge in Aftermarket

TRADING BUSINESS – A NEW EDGE

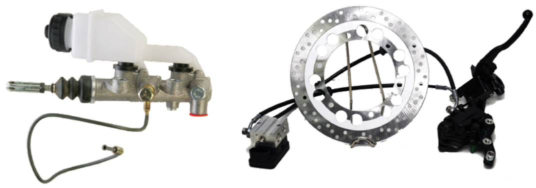
To cater more effectively to the emerging demands of customers across regions and vehicle categories, we expanded our business strategy to include trading of products. During FY 2020-21, we started contract manufacturing of tyres and tubes for 2-Wheelers, 3-Wheelers and e-rickshaws and have launched these products in domestic and export markets.

Company Manufactured Products

SHOCK ABSORBERS

FRONT FORKS & PARTS

CLUTCH & CLUTCH PARTS



BRAKE PARTS

Traded (Value-Added) Products (VAP)

- Cable range
- Silencer
- Steering Cone
- 2-Wheeler brake shoes
- Control Cables
- Camshafts
- Rocker Arms
- 2/3-Wheeler packet tube

CVT PARTS

WHEEL RIMS

ROCKER ARMS

CONNECTING RODS

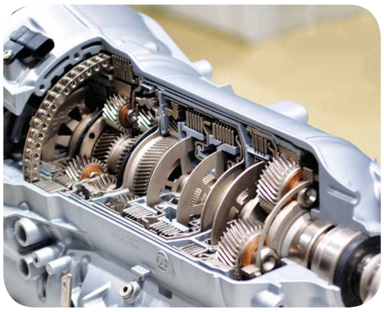
AUTO RICKSHAW TYRES

E-RICKSHAW TYRES

SCOOTER TYRES

DELIVERING VALUE TO CONSUMERS

Suspension
- Increased oil seal life
- Better corrosion resistance
- Lower friction resistance
- Specially designed to perform under severe conditions



Transmission
- Better acceleration
- Smooth gear shifting
- Less handle lever effort
- Consistent performance (through life)

Braking Systems
- Highly durable brake pads
- Short stopping distance
- Consistent all-weather performance
- Brake disc made of superior quality material
- Durability

Tyres & Tubes
- Superior design and tread compound
- Excellent grip, mileage, ride stability & comfort, and life
- All-round performance in paved and rough roads, both in wet and dry conditions
- Tubes with high strength, all weather durability, long life and stable shape

3
New countries added during FY 2020-21

29
Total countries of export

474
(including 97 for tyres) Domestic distributors

42
Overseas distributors

(As on 31st March, 2021)

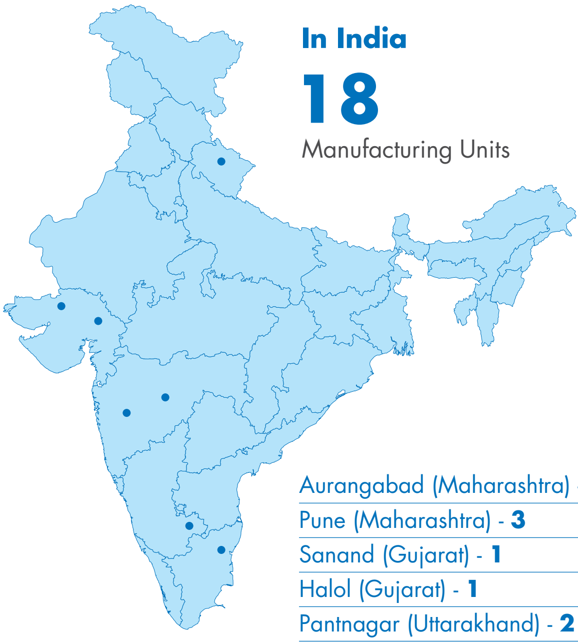
New products added

Domestic
- 5 front fork parts
- 4 shock absorber parts
- 4 braking parts
- VAP - 2-Wheeler brake shoes
- CVT range and silencer range

Exports
- 13 Shock absorbers for Africa, Brazil, Indonesia

The Edge of Customer Proximity

Our state-of-the-art manufacturing facilities are strategically located in close proximity to our key customers.



In India

18

Manufacturing Units

Aurangabad (Maharashtra) - **8**
Pune (Maharashtra) - **3**
Sanand (Gujarat) - **1**
Halol (Gujarat) - **1**
Pantnagar (Uttarakhand) - **2**
Chennai (Tamil Nadu) - **2**
Kolar (Karnataka) - **1**

In Europe

9

Manufacturing Units

Italy
Torino - **1**
Chivasso - **2**
Lombardore - **1**
Bione - **1**
Rovereto - **1**

Germany
Massenbachhausen - **3**

We continue to augment our infrastructure to better serve our customers.

Infrastructure Augmentation

1

New plant at Vallam near Chennai, for supplying machined aluminium casting to our customers, started operations in February 2021

2

Facilities to cater to increase in 2-Wheeler disc braking solutions / discs demand

- Set up Combined Braking System (CBS) brakes plant at Pantnagar for 540,000 nos./ annum in April 2021
- New plant at Waluj, over 10-acre of land
- Increase in Company's disc brake assembly capacity by more than 90% - from existing 285,000 lakh brake assemblies a month to 570,000 lakh brake assemblies a month
- Expansion of Company's discs manufacturing capacity, from 375,000 lakh numbers per month to 675,000 lakh numbers per month by August 2021

3

New cylinder-head low-pressure die-casting plant being established at Pantnagar, for 720,000 pieces per annum, production expected to commence in Q3 of FY 2021-22.

4

Expansion of 2-Wheeler alloy wheels in Chakan on adjacent land, to service existing customers - production expected to commence in Q3 of FY 2021-22.

5

ABS manufacturing to commence at Waluj in October 2021

THE KEY TO SUCCESS IS TO DEVELOP A WINNING EDGE.

– **Brian Tracy** (Motivational public speaker)

The Endurance winning edge is built on our ethos of Trust. It is driven by our visionary Leadership and Strategic thinking, and powered by our spirit of continual Innovation.

At Endurance, we do not just pursue Efficiencies, we create them. We believe not in striving to maintain Quality, but in setting new benchmarks too.

The Endurance Edge is the outcome of the collective efforts of our People and Partners. It is the result of our focus on Sustainable growth, Rooted in the inclusiveness of Customers, Communities and all other stakeholders!

SUSTAINING THE TRUST EDGE

At Endurance, Trust is more than a business ethos. It is a validation of our close and long-term customer connect. It is an endorsement of our success in delivering sustained and sustainable business growth.

Our Trust edge is driven by our consistent focus on technology upgradation, quality, efficiency, on-time delivery, integrity and transparency. It is powered by our end-to-end solutions framework:

WE ARE AN END-TO-END SOLUTIONS PROVIDER FOR CUSTOMERS ACROSS THE VALUE CHAIN

DESIGN
Innovative and cost-competitive designs, steered by our technological edge and delivered across product lines

DEVELOP
'First time right' products is a key focus area that enables us to deliver cost-effective solutions to our customers, while helping them save time

TESTING & VALIDATION
State-of-the-art test facilities, including an advanced Proving Ground; Also, facilities for testing of material, sub-components, and products

MANUFACTURE
World-class facilities equipped with high-end machinery and processes, aligned to global benchmarks of excellence

DELIVER
On-time delivery to both, domestic and overseas customers, through our strategically located plants & seamless sales network

360-DEGREE PROPOSITION
Our service offerings extend from design to conception, to product development and delivery, backed by robust aftersales service

Customer Growth during FY 2020-21

Our Trust edge catapulted us to higher levels of growth and expansion, across product lines, vehicle categories and business segments, during the year. Despite the challenging macro environment, we added new business to our portfolio in both, Indian and international markets.

₹6,380 million
Worth new orders won in India in FY 2020-21

€19.3 million
Worth new orders won in Europe in FY 2020-21

€110 million
Worth new business cumulatively booked in Europe for EVs and hybrids

Reaching out to EV/hybrid Customers

The Company has made significant progress in booking orders and commencement of delivery for machined castings for EV and hybrid vehicles in Europe. During the year, we acquired new business from various leading automobile giants, as a result of which, 50% of our existing total Europe business value has already been won by us for EVs and hybrids. These orders will reach peak value in FY2024.

Having established such commendable presence in the international hybrid and EV market, we also forayed into this segment in the domestic market during FY 2020-21 with the 2-Wheeler category. Seeing the growth potential ahead, we are working closely with existing and new OEMs in India to expand our product and service portfolio in this segment. We are looking at expanding into the 3-Wheeler EV segment over the next few quarters, as we move strategically forward to capture a larger pie of the domestic opportunity matrix. In India and globally, large OEMs trust us for efficient delivery of high quality components, and our Trust edge positions us to make the most of the EV/hybrid market potential.

We are geared to commence supplies of brake assemblies, suspension and aluminium castings, including battery housing castings, for electric scooters and 3-Wheelers.

NURTURING CUSTOMER RELATIONSHIPS

As the lockdown restrictions started easing, we worked closely with customers to give them the confidence of smooth and seamless supply chain operations, with on-time product delivery. The appreciation we received from our OEM customers, and the repeat/new business we secured from our existing clients, underscored the culture of trust imbued in our relationships with them.

SHARPENING THE STRATEGIC EDGE

Our strategic edge is a powerful propeller of our sustained growth and value-accretive journey. Amid the fast-paced transformation in the industry and market environment, triggered by COVID-related challenges, we moved expeditiously during FY 2020-21 to augment this edge.

While our strategic reorientation encompassed every function and facet of the organisation, we focussed more sharply on the two key pillars of:

Management Strength

Our Management team came together through virtual modes to face the challenges and steer the Company to overcome them efficaciously and expeditiously.

Senior management and leadership launched a series of concerted initiatives in the critical areas of planning, communication, knowledge exchange, employee and vendor training & learning, supplier outreach, workforce mobilisation, customer engagement and CSR.

Financial Strength

We enhanced our focus on building operational and cost efficiencies, and cash preservation.

We identified new opportunities for controlling costs, and implemented several measures.

We reassessed our capex needs and ensured high level of liquidity.

Our visionary leadership is driven by a strong customer-centric approach, and brings to the table diverse skill-sets, with our directors and key managers having extensive experience across business segments and functions.

BOARD OF DIRECTORS

01 **Soumendra Basu**
Chairman

02 **Anurang Jain**
Managing Director

03 **Roberto Testore**
Independent Director

04 **Ramesh Gehaney**
Director and Chief Operating Officer

05 **Satrajit Ray**
Director and Group Chief Financial Officer

06 **Anjali Seth**
Independent Director

07 **Massimo Venuti**
Non-Executive Director

08 **Varsha Jain**
Director and Head - CSR and Facility Management

09 **Indrajit Banerjee**
Independent Director

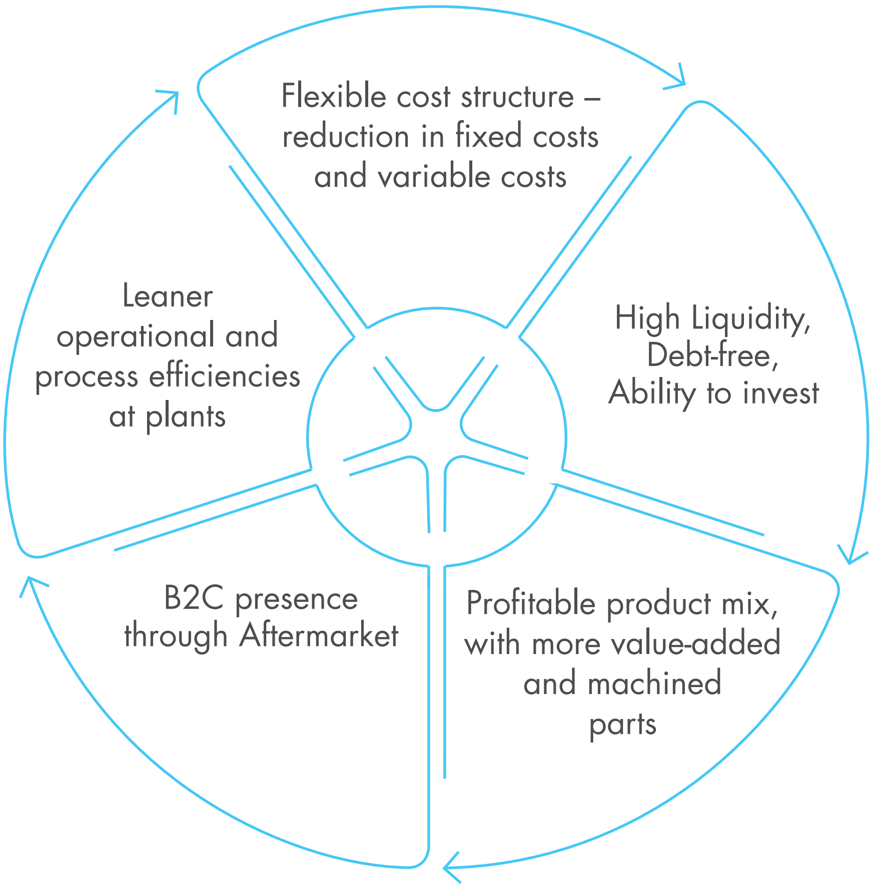
10 **Anant Talaulicar**
Independent Director

AUGMENTING PERFORMANCE

Our consistent performance has been a pivot of our growth strategy over the years. Despite the adverse impact on business performance for the first two months of the fiscal, our overall financial growth during the rest of FY 2020-21 remained on track.

Notwithstanding, the unprecedented complexities and challenges of business amid the pandemic, we posted our best ever quarterly performance in Q3 of FY 2020-21. We also reported our best ever topline performance of ₹ 5,564 million on standalone basis in a single month in October 2020, as per our unaudited statements – a growth of 34.6% over the previous year. For several years, despite different business cycles, our net worth has steadily increased.

Drivers of our performance



Our concerted focus on improving operational and cost efficiencies through judicious management of resources, coupled with rationalisation and optimisation, helped mitigate some of the impact of the COVID crisis on business and profitability. Our efforts have been geared towards increased efficiencies at lower costs, and we shall continue to invest in creating a leaner organisation through de-risking and other initiatives.

In addition to continued product and geographical diversification, we are strategically shifting from single-product to multi-product manufacturing at our plants to boost scale and profitability. During FY 2020-21, we introduced CBS brakes manufacturing at our Pantnagar plant in Uttarakhand.

Enhanced Product Mix

To enhance profitability, we have strategically restructured our product portfolio in the domestic market across segments and categories. Our focus is now on:

- 200cc plus motorcycle brakes and clutch assemblies, through acquisition of Adler and Grimeca in Italy
- Paper-based clutch assemblies, replacing cork-based clutch assemblies for motorcycles
- Anti-lock braking systems (ABS) for 150cc plus motorcycles
- Inverted front forks and adjustable rear mono shock absorbers for both domestic and overseas OEMs, with the help of our European collaboration partner
- Fully finished machined castings, as compared to semi-finished castings for 2-Wheeler, 3-Wheeler and 4-Wheeler applications

The consolidation of our foundry activities in Italy in FY 2020-21, from two plants to one, will lead to a savings of €600,000 per annum.

Backward integration edge

During FY 2019-20 we embarked upon two backward integration initiatives – related to aluminium forging axle clamps and steel braided hoses. Operations for steel braided hoses, required for the ABS commenced production in June 2021. Production for the aluminium forging axle clamps, required for our growing business of inverted front-forks, is set to commence in Q2 FY 2021-22. Both these products are import substitutes, and will enable us to offer our customers with cost-competitive offerings.

AA+ credit rating

The credit rating agency CRISIL has given us a higher rating of AA+ with stable outlook, as compared to the earlier AA with positive outlook for our long-term financing. This is among the highest ratings for Indian auto component companies, and is a corroboration of our well-diversified OEM base, both in India and overseas, which will propel our efforts to improve sales growth. It also validates our financial strength and risk profile, as well as improvement in utilisation of our assets and operating profit.

FINANCIAL HIGHLIGHTS

Total Income (₹ million)

FY 17	56,199
FY 18	63,748
FY 19	75,375
FY 20	69,653
FY 21	65,777

CAGR FY 2017-21: **4.0%**

EBITDA (₹ million)

FY 17	7,874
FY 18	9,513
FY 19	11,558
FY 20	11,784
FY 21	10,709

CAGR FY 2017-21: **8.0%**

Profit After Tax (₹ million)

FY 17	3,303
FY 18	3,908
FY 19	4,950
FY 20	5,655
FY 21	5,196

CAGR FY 2017-21: **12.0%**

Return on Average Capital Employed (%)

FY 17	21.1
FY 18	23.3
FY 19	24.8
FY 20	21.7
FY 21	16.9

Net Debt/Equity Ratio (Number of Times)

FY 17	0.3
FY 18	0.1
FY 19	0.1
FY 20	0
FY 21	-0.1

Expansion of Aftermarket Sales (₹ million)

FY 17	2,122
FY 18	2,384
FY 19	2,707
FY 20	2,977
FY 21	3,116

CAGR FY 2017-21: **10.1%**

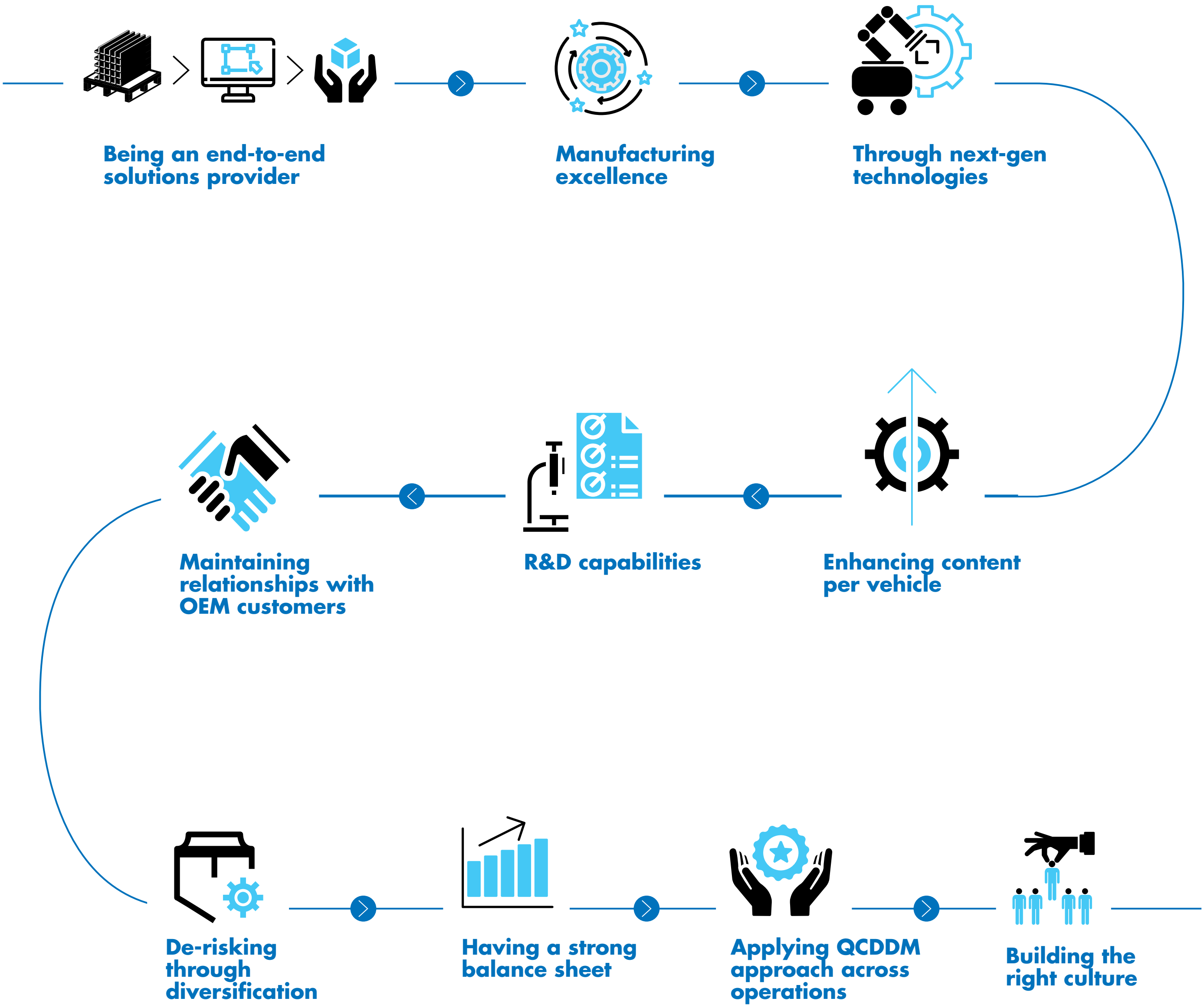
Total Income in European Business (₹ million)

FY 17	17,276
FY 18	18,665
FY 19	21,039
FY 20	19,912
FY 21	17,937

CAGR FY 2017-21: **0.9%**

DELIVERING CONSISTENT VALUE

In our efforts to stay ahead of the competition, we create value even amidst challenging times by constantly investing in research, design, manufacturing, and technological excellence. Our strategy is based on both organic and inorganic growth in order to maximise the potential of current and future footprint.



STRENGTHENING THE INNOVATION EDGE

The Endurance excellence mantra is rooted in our concerted efforts to build our innovation and technology prowess. Even amid the immense cost pressures in the pandemic times, we continued to invest in Research & Development (R&D) initiatives to sustain our leadership and competitive edge across our business segments.

Fostering a culture of innovation

We have imbued the organisation with a culture of continuous innovation, led by our overarching aim of increasing our content in each vehicle. In our quest for path-breaking solutions for our customers, we encourage creative thinking, promote knowledge sharing, and motivate our employees to challenge existing norms and ideas.

4 R&D Centres
Aurangabad and Pune (both in Maharashtra)

1 Proving Ground
Aurangabad (Maharashtra)

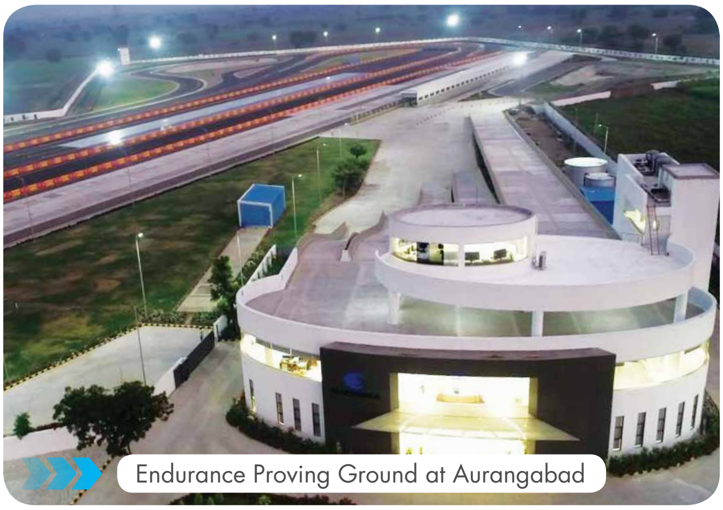
2 Technical Centres
Italy

19
Patents granted

70
Applications filed with Indian Patent Office

14
Designs registered

4
Design registrations pending


Endurance Proving Ground at Aurangabad

Celebrating ideas

Our Project Aspire is aimed at making innovation a way of life for Endurians. Through IdeaFest, we celebrate our employees, across functions and hierarchical levels, for their innovative ideas.

Endurance INNOVATION Edge

- Investments in best-in-class equipment & engineering software
- Advanced Engineering Cell to support our innovation efforts & meet customer expectations
- Digitalisation and Automation across systems and processes
- Value engineering - substantial benefits for key clients through efforts such as light-weighting
- Aspire and IdeaFest events to promote a culture of innovation
- Addition to R&D facilities on continuing basis

Our R&D Proposition

4 R&D CENTRES IN INDIA
- Approved by the Department of Scientific and Industrial Research

PROVING GROUND IN INDIA
- State-of-the-art Test Tracks at Aurangabad in Maharashtra

ADVANCED ENGINEERING GROUP
- Including Computer Aided Engineering, Road Load Data Acquisition, Elastomers, Electronics and IPR cells

TWO TECH CENTRES IN EUROPE
- Focussed on product design, optimisation & development, and virtual process simulation
- Technical centre for clutches is under the aegis of our new subsidiary, Endurance Adler spA

Our four dedicated DSIR (Department of Scientific and Industrial Research) approved R&D Centres are engaged in breakthrough innovation across each of our product verticals. Our two technical centres in Turin and Rovereto are working on path-breaking solutions for our European customers.

Scaling technological excellence

Acquisitions of Adler and Grimeca were driven by our admission to scale new levels of technological excellence.

- They have given us access to new product technologies in the transmission and brakes segments, supported by the distinctive technical know-how and intellectual property rights of these companies.
- The acquisitions, which include knowhow, patents, brands and trademarks, have opened new opportunities for growth in the Indian and overseas markets.
- They have facilitated the entry of our Indian operations into the higher segment business for 200cc plus motorcycle clutch assemblies and brakes from Indian OEMs, which will start in FY 2021-22.
- They have enhanced customer confidence and trust in the products offered by Endurance.

In our quest for technological advancement, we regularly enter into strategic foreign collaborations. Our association with our American technology supplier has enabled us to overcome extremely challenging approval requirements of our customers for ABS brakes. Our collaboration with a European technology provider for production of aluminium forging axle clamps is aligned with this strategy.

Our technological initiatives and R&D are driving innovative breakthroughs across our product lines.

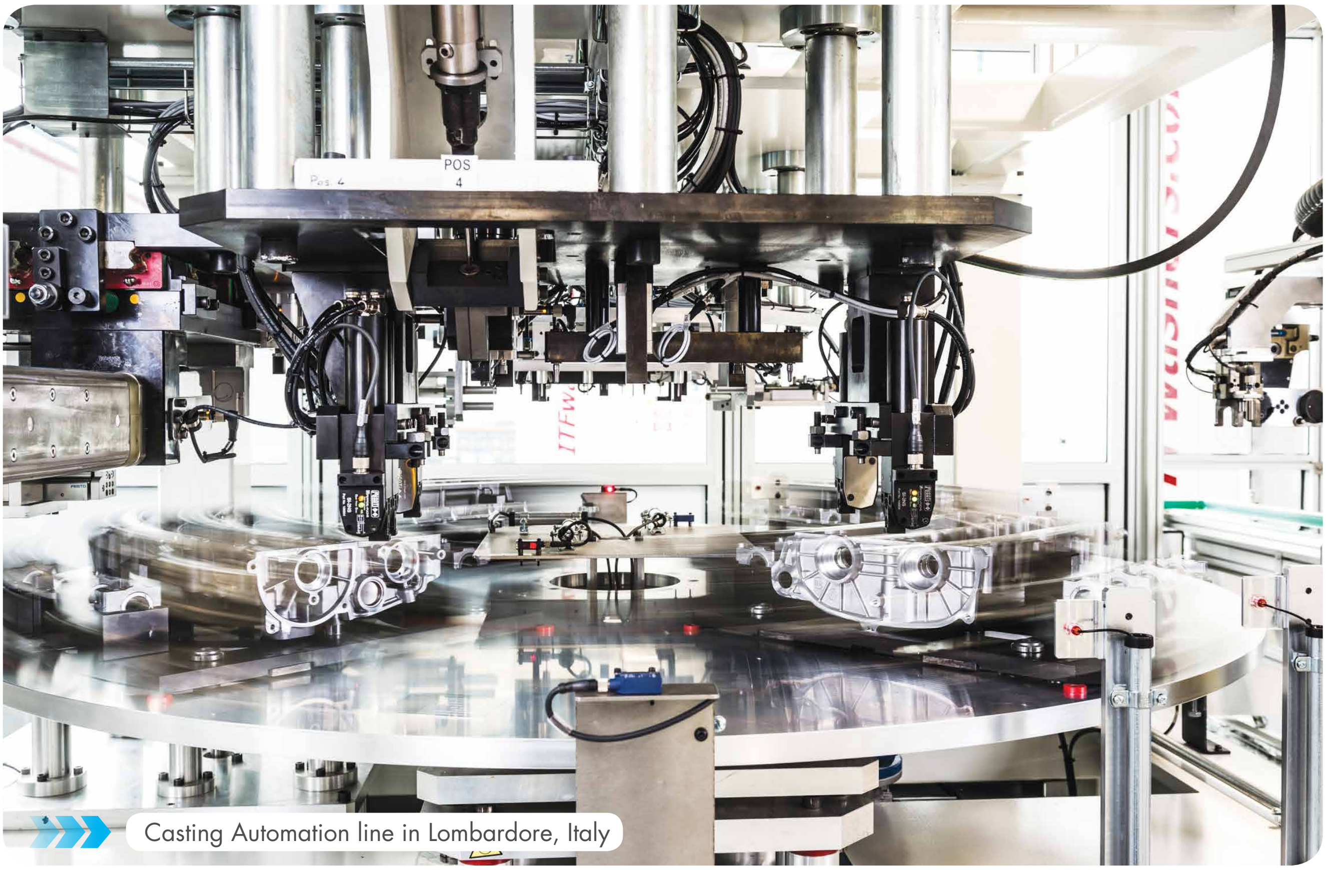
CASTINGS
- Ongoing work on EV castings
- Structural design improvements in aluminium castings

SUSPENSION
- High-end technology products, such as adjustable front and rear suspension
- Backward integration of aluminium forging components for upside down front suspension

BRAKES
- Anti-lock braking systems (ABS) development in progress
- Combined Braking Systems (CBS) supply to all Indian OEMs in process
- Backward integration for steel braided hoses

TRANSMISSION
- Introduction of new Adler technology for assist and slip clutches
- Strong understanding of friction materials

AMPLIFYING THE QUALITY EDGE



Casting Automation line in Lombardore, Italy

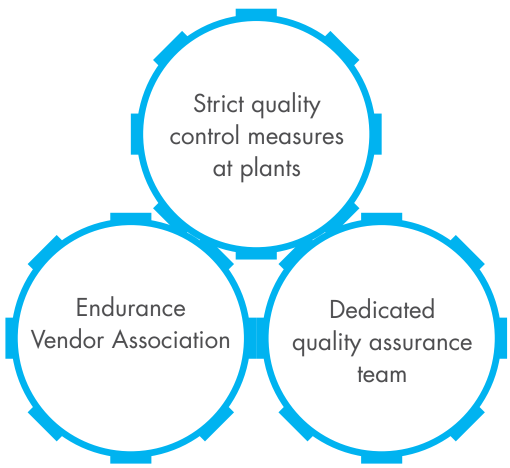
At Endurance, Quality consciousness is ingrained not just across the organisational fabric but through the business network.

We have in place a strict quality protocol for our end-to-end supply chain. In addition to stagewise quality assurance, focus is also laid on prevention of defect generation, right from input to output.

We focus on improving the quality mindset, through transformation from the corrective to the preventive approach. We ensure sustained compliance of all Quality related regulations and norms across the supply chain.

Our strong quality focus is a key driver of our sustained performance. It enables us achieve profitable business growth, increased market share, and most importantly, the appreciation of our customers.

Our Quality Assurance Framework



Besides helping us maintain consistency in quality, this framework leads to high levels of customer trust, through low rejections and low warranty failures. It is the pivot on which we are continuously nurturing the Endurance brand.

While technology and cost competitiveness open the gates for new business, quality sustains our existing business and strengthens our brand.

Quality competitive edge

Our advanced engineering expertise has helped pushed the bar of product quality. We work closely with customers even through early stages of the project. Going forward, we shall harness this expertise to move into vehicle level simulation for our products.

In-depth vehicle dynamics study and evaluation of our products (suspension, brakes, clutches and CVT) on vehicle is proposed at our newly established Endurance Proving Ground (EPG).

End-to-end quality edge

Pioneering product design elements enable our products to stringently adhere to defined parameters of aesthetics, fitment, functionality and durability. The production quality is ensured in the following ways:

- All our equipment and systems are designed to comply with the strictest quality regulations.
- Focus is maintained on process control and regular inspections, thus helping minimise customer complaints.
- Increased automation is leading to standardisation in quality metrics across the manufacturing chain.
- A dedicated quality team continuously monitors and tracks processes and systems to identify quality gaps and plug the same.

Endurance Vendor Association

Besides ensuring supply chain sustainability, the Endurance Vendor Association has emerged as a powerful enabler of our sustained quality ethos.

We follow strict criteria in the selection of our vendors and trading partners - quality has the highest weightage in our vendor rating.

We provide to our trading partners our designs and critical equipment/ assets, to ensure compliance with the Endurance quality benchmarks.

Disc Brake Assembly line at Pant Nagar

To augment our quality focus, we have enhanced our testing and evaluation capabilities in our suspension and transmission product segments. We believe this will enable us scale up product features more effectively and expeditiously.

First-time-right edge

The Endurance quality philosophy is manifest in our promise to 'get it right the first time' in terms of product quality. We work closely with our customers at our 29-acre 'Proving Ground' (Test Track) in Aurangabad, to ensure best-in-class product quality benchmarked to their vehicle standards. Accredited by the Automotive Research Association of India (ARAI), this state-of-the-art test track is equipped with world-class equipment. It is manned by globally trained certified test riders, who help ensure the fitness of products on vehicle application. Leveraging our technology tie-ups with leading international auto technology companies, we utilise the proving ground to deliver technologically advanced and qualitatively enhanced products to customers.

ENRICHING THE PEOPLE EDGE

At Endurance, we believe building and sustaining a high-performance culture is one of the few sustainable competitive advantages that we can leverage consistently. The culture of an organisation shapes the experience of each employee. Endurance's culture emerges from our CITTI values (Customer Centricity, Integrity, Transparency, Teamwork, and Innovation). These five pillars help us in fostering a high-performance culture, as they are the principles which guide our decisions and actions. Our strong belief in demonstrating these values in our actions consistently has made us a globally trusted brand. We believe that building a high performance culture drives employee engagement.

Driving Safety Culture

Amongst our various initiatives, we have developed a Safety First Culture at Endurance, consistently prioritising human lives, environment, health, and safety in our decisions.

- The management of change initiative ensures that all material changes, layout changes, expansions, and greenfield/brownfield projects require certification from HSE team.
- We focus on developing contractors on hazard identification and management, risk assessment, competency mapping, training for their employees, and emergency preparedness and response as part of our contractor safety management initiatives.
- Daily safety champions are rotated across all plants to drive a Safety First culture.

At Endurance, our zero tolerance for unsafe acts and non-compliances is facilitated by our consequence management policy. We have developed a mechanism to benchmark, share learnings and best practices across locations for continuous improvement.

Building end-to-end accountability

Endurance has also built a culture of result orientation. Initiatives, including driving internal customer-centricity, proactive risk assessment and mitigation, ensuring effective and robust review mechanisms, and enabling end-to-end accountability, have helped us shape Endurance's culture. We believe in celebrating success, even the small victories. Instant recognition aims to foster a result-oriented culture by recognising initiatives that drive performance and innovation. Every employee who has added value to Endurance is felicitated for his/her contribution.

Steering inclusive growth

Diversity is a strategic priority for Endurance. We believe that diversity is key to challenging ourselves and to fostering creativity. It is through diversity of Endurians that we are able to continue to innovate and grow together. We are committed to valuing and integrating diverse and unique perspectives in our decision-making. We continuously strive to consciously eliminate our explicit and implicit biases to make our workplace more inclusive.

Annual Awards of 'Women-at-Endurance'

'Women at Endurance' is a platform to encourage engagement of women who want to share perspectives, improve leadership and communication skills, participate in mentoring and volunteering programmes, and network with peers across plants and departments. We have been able to develop female Endurians to handle larger roles, and empower them to drive cultural change.

Decision-making through Analytics

Endurance has started using insights from analytics to help drive recruitment and development decisions. This has enabled us to strengthen our processes and increase the effectiveness of our initiatives. We have also been analysing drivers of employee Net Promoter Score, and incorporated inputs to drive employee engagement and retain key talent. We are using business intelligence for simulations, and have developed a flexible model to enable quick decision-making. We have automated our PMS, recruitment & on-boarding, and learning and development processes to increase efficiencies.

Building Organisational Capabilities

In order to drive Endurance towards its strategic goals, we have aligned the HR strategy to the overall strategy of Endurance, and have taken initiatives to build organisational capabilities.

- We have developed a lean, agile, and accountable workforce with standardised structures across locations. We re-evaluated our structures and set guidelines during the year, optimising the span of control, reducing level gaps between roles, and eliminating overlaps, while ensuring optimal resource allocation and utilisation.
- We have standardised roles and our performance management system (PMS) process. It is important that we understand how every individual's contribution aligns to Endurance's goals. We focussed on 6-8 strategic deliverables per role across financial, customer, process, and learning and growth perspectives with standardised scoring guidelines.
- We drove end-to-end ownership by ensuring relevant departments are jointly held accountable with common deliverables. Additionally, we defined competencies required to meet our strategic goals, incorporating our CITTI values. By developing a comprehensive competency framework, Endurians have clarity on organisational expectations and on how they can develop on each of the identified competencies.

Empowering Employees

Building the next line of leaders from within is a strategic priority for Endurance. We believe in identifying the true potential of employees, enabling them to achieve it by capitalising on their strengths, and challenging them to overcome their weaknesses through targeted initiatives.

- Endurance Youth Leadership Programme is a focussed initiative where employees from different departments and locations come together to work on challenging strategic projects as teams, and gain exposure to new areas and experiences. With exposure to new areas, team members are equipped with necessary capabilities to handle larger responsibilities. In the process, the team members are able to identify their potential, and discover and pursue their newly discovered passions. Each team gets the opportunity to learn from, and be mentored by the senior management. The teams have driven cultural change, set new benchmarks, and created sustainable impact.

- High potential talent pools at junior, middle management, and senior levels have been identified as part of Endurance's succession planning initiative. The aim of this initiative is to help high potential individuals redefine their limits and potential, while enabling them to develop their managerial and leadership skills in order to take on larger roles. Holistic assessment and development centres are conducted, and detailed career plans are developed for individuals to be equipped to handle larger roles. In addition to role expansion, individuals are divided into teams and assigned strategic projects across operations, aftermarket, sourcing, human resource, research & development, finance, and information technology. These challenging projects directly link to the strategy of the organisation. Teams and individuals are mentored by senior management, and are guided to achieve their goals and develop into better professionals.

Caring during COVID

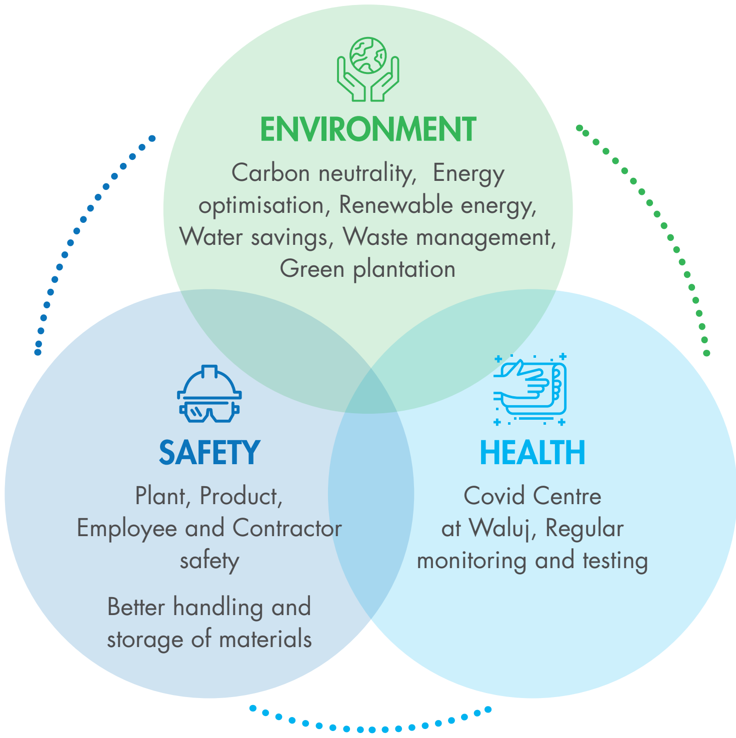
Taking care of the health, safety and well-being of the employees was a key priority at Endurance during the pandemic year. The HR team formulated and implemented detailed internal guidelines for resumption and continuation of work at our premises, with due regard to government guidelines and best interest of our employees.

All Government-mandated COVID safety protocols and precautions were strictly adhered to across the organisation. At the same time, we took a slew of other employee safety measures during the year. Travel was discouraged to reduce exposure to the virus. Thermometers and Oximeters were made available at the facilities and other workplaces for regular monitoring of the vital parameters of the employees. Since a large workforce had to be accommodated within the facilities during the lockdown period, protocols were instituted to protect the health of employees/workers and make the workplace as safe as possible. A COVID-testing mechanism was put in place to ensure that no infected person would enter the premises. Additionally, measures were taken including ensuring social distancing, defining use of common areas, periodic testing to isolate COVID-affected employees, encouraging meeting through virtual platforms.

ENHANCING THE SUSTAINABILITY EDGE

To sustain the Endurance competitive advantage in the continuously transforming and highly challenging environment of FY 2020-21, we further enhanced our sustainability focus through concerted measures.

Several steps were taken across the key areas of:



Environment conservation measures

- Creation of Carbon Sinks through tree plantation drives, thus creating dense forests
- Shift towards renewable energy sources – solar & wind power
- Replacement of electric power and furnace oil in plants with natural gas and LPG
- Switch from painting to powder coating operations, to reduce hazardous waste generation
- Focus on achievement of zero waste to landfill
- Plugging direct leakages to minimise air emissions
- Water recycling and rainwater harvesting

Co-processing of hazardous waste has emerged as a major focus area in our efforts to reduce hazardous waste generation. Hazardous waste, such as sludge, is being sold to cement plants, and our grinding dust is converted to iron oxide required for the paint industry in Gujarat. We are also engaged with the Maharashtra government for the adoption of similar practices in the State.

Multi-pronged Safety Strategy

Going beyond regulatory compliances, we have identified the following areas for reinforcing our safety proposition:

- Health monitoring of employees
- Legal compliances - mapping safety on legal metrics
- Safety performance track record - analysing past incidents
- General awareness on EHS practices

Mechanical Arm on Powerpress Machine

Employee safety management

We further strengthened our employee safety protocols amid the COVID outbreak through various proactive initiatives.

- Employee engagement - promoting culture of safety, awareness (National Safety Week, Road Safety Month)
- Mock drills, training exercises, sharing best practices (Recognition to Daily Safety Champions at all locations)
- Monthly review meetings for continuous improvement in employee safety systems

Contractor safety management

During the year, we further accelerated our contractor safety management processes, which we had introduced through a structured framework in FY 2019-20. Safety evaluation of contractors/supplies/vendors was done against key safety metrics, and they were accordingly required to make strategic changes in their systems and processes.

Based on their performance metrics, and their efficacy in hazard and risk management, we categorised our contractors as high / moderate / low risk during FY 2020-21. New training modules and compliance criteria were introduced across these categories.

- Gaps in safety; risks rated as high / medium / low
- Detailed emergency preparedness planning
- ID cards for all contractors, with identification & tracking of all training records
- Education, awareness & capacity building - training done in batches amid COVID due to social distancing norms

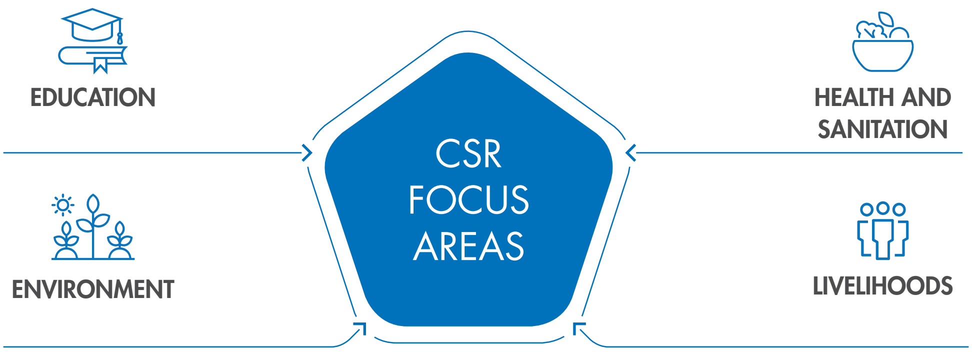
Consequence Management Policy

We have formulated a set of clear guidelines for stringent action in case of non-adherence to any plant, process or product safety measures. Employees and contractors responsible for non-adherence to the newly formulated guidelines for plant, process or product safety measures would be held responsible.

Our Management of Change policy requires any design/layout change, expansion or new project foray, and even changes in chemical compositions (hazardous substances) of materials to be reviewed and certified by our EHS team.

Being responsible

We have developed a robust Corporate Social Responsibility (CSR) framework to bring out a sustainable change in the 30 villages of our outreach, with focus on 4 key areas:



Besides our interventions in these areas, the Company, under the aegis of Sevak Trust, also focussed on COVID relief activities for employees and communities during the year:

- Set up a 81-bed COVID Care Centre at ICEEM College, Waluj, Aurangabad, in close proximity to our manufacturing plants. The centre was discontinued when the first wave of the pandemic eased, but resumed operations to accommodate increased number of patients in the second surge. During the year, 558 patients were admitted to the COVID Care Centre, of which 468 patients were successfully cured and discharged, 51 patients were referred for further treatment at specialised hospitals, and 39 patients were asymptomatic.
- Organised awareness sessions on COVID Care in 14 villages, attended by 600 villagers.
- Distributed more than 5,000 kits, containing food and other essential hygiene items, to needy villagers.
- Donated testing machines to government hospitals.
- Conducted RT-PCR and antigen tests of 980 people, including employees of our vendor partners.
- Distributed homeopathic medicines to more than 7,000 villagers and 4,500 employees / workmen.
- Distributed 40,000 cloth masks to all employees and stakeholders.
- Conducted online classes for our vocational training students.
- Extended financial support of ₹ 10,000 per student to 62 students of Endurance Centre of Vocational Empowerment (ECoVE) during the period of lockdown, as they had no alternate source of income.

CORPORATE INFORMATION

Board of Directors
Soumendra Basu
Chairman

Anurang Jain
Managing Director

Roberto Testore
Ramesh Gehaney
Satrajit Ray
Anjali Seth
Massimo Venuti
Varsha Jain
(Appointed w.e.f. 10th November, 2020)
Indrajit Banerjee
(Appointed w.e.f. 9th February, 2021)
Anant Talaulicar
(Appointed w.e.f. 12th July, 2021)

Audit Committee
Indrajit Banerjee - Chairman
Soumendra Basu
Anjali Seth

Nomination and Remuneration Committee
Anjali Seth - Chairperson
Soumendra Basu
Indrajit Banerjee

Corporate Social Responsibility Committee
Anurang Jain - Chairman
Soumendra Basu
Ramesh Gehaney
Varsha Jain

Risk Management Committee
Anurang Jain - Chairman
Indrajit Banerjee
Ramesh Gehaney
Satrajit Ray

Stakeholders' Relationship Committee
Anjali Seth - Chairperson
Anurang Jain
Satrajit Ray

Subsidiary Companies
Endurance Overseas Srl, Italy
Endurance SpA, Italy
Endurance Engineering Srl, Italy
Endurance Castings SpA, Italy
Endurance Adler SpA, Italy
Endurance Amann GmbH, Germany

Management Team
Anurang Jain
Managing Director
Ramesh Gehaney
Director and Chief Operating Officer
Satrajit Ray
Director and Group Chief Financial Officer
Varsha Jain
Director and Head – CSR and Facility Management
Ravindra Kharul
Chief Technology Officer
Sunil Kolhe
Chief Sourcing Officer
Pravin Saraf
President – Operations
Prabhas Dash
President - Aftermarket

Company Secretary
Sunil Lalai
Company Secretary and Executive Vice President – Legal

Auditors
S R B C & Co. LLP
Chartered Accountants
Ground Floor, Tower C Unit 1,
Panchshil Tech Park One, Loop Road,
Near Don Bosco School, Yerwada,
Pune - 411 006, Maharashtra

Secretarial Auditor
Sachin Bhagwat
Practicing Company Secretary
516, Siddhartha Towers - I,
G.A. Kulkarni Road, Kothrud,
Pune - 411 038, Maharashtra

Consortium Bankers
Citibank N.A.
ICICI Bank Ltd.
IDBI Bank Ltd.
Standard Chartered Bank
Union Bank of India

Registrar and Transfer Agent
Link Intime India Private Limited
C 101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400 083
Tel: +91 22 49186000
Fax: +91 22 49186060
E-mail id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Registered Office
Plot No. E-92, MIDC Industrial Area,
Waluj, Aurangabad – 431 136
CIN: L34102MH1999PLC123296
Email for investors:
investors@endurance.co.in

Plants
Aurangabad (Maharashtra)
Plot Nos. B-2, E-92 & 93, K-120, K-226/1 & 227, K-226/2, K-228 & 229, and L-6/3, MIDC Industrial Area,
Waluj, Aurangabad – 431 136

Plot No. L-20, MIDC Industrial Area,
Vitawa Village, Gangapur,
Tal. Aurangabad – 431 109

Pune (Maharashtra)
Plot Nos. B-1/2 & 1/3,
B-20 and B-22,
MIDC Industrial Area, Chakan,
Village Nighoje, Taluka Khed,
Dist. Pune – 410 501

Pantnagar (Uttarakhand)
Plot Nos. 3 and 7, Sector 10,
I.I.E. Pantnagar,
Dist. U.S. Nagar – 263 153

Chennai (Tamil Nadu)
Plot No. F-82, SIPCOT Industrial Park,
Irungattaukottai, Pennaur Post,
Sriperumbudur Taluk,
Kancheepuram Dist.,
Chennai – 602 105

Vallam (Tamil Nadu)
G-102 & 103, SIPCOT Industrial Park,
Vallam Vadagal Scheme, Village Vallam,
Sriperumbudur Taluk,
Kancheepuram Dist.,
Chennai – 602 105

Sanand (Gujarat)
Plot No. E4 & E21, GIDC, Phase 2,
Industrial Estate, Sanand,
Ahmedabad – 382 110

Halol (Gujarat)
Plot 103/6, GIDC, Halol - 2 &
Halol Maswad Industrial Estate,
Taluka – Halol, Dist. Panchmahal - 389 350

Kolar (Karnataka)
Survey Nos. 28/4A, 28/4B, 28/5, 28/6, 28/7, 28/8 & 34/5, within village limit of Karinayakanahalli,
Kasaba Hobli, Malur Taluka,
Kolar District, 563 130

MANAGEMENT DISCUSSION & ANALYSIS

Global economic overview

A strong pace of vaccination across countries has raised hopes of recovery in 2021, post an estimated 3.3% contraction in global economy in 2020. The COVID-19 pandemic affected growth across nations, even though some positive factors limited the overall impact, during 2020. China's quick recovery, followed by better-than-expected recoveries in the second half of the year for most regions, helped mitigate some of the negative impact of the pandemic, as lockdowns eased and the world adapted to new ways of doing business. However, the subsequent second and third COVID-19 infection waves necessitated renewed restrictions in many countries. This stop-go rhythm meant that recovery was uneven and far from complete.

GDP growth in % YoY	2019	2020	2021E	2022E
World Output	2.8	(3.3)	6.0	4.4
Advanced Economies	1.6	(4.7)	5.1	3.6
United States	2.2	(3.5)	6.4	3.5
Euro Area	1.3	(6.6)	4.4	3.8
Japan	0.3	(4.8)	3.3	2.5
United Kingdom	1.4	(9.9)	5.3	5.1
Emerging Market and Developing Economies	3.6	(2.2)	6.7	5.0
China	5.8	2.3	8.4	5.6
India	4.0	(8.0)	12.5	6.9
2021 and 2022 are projections				

E - Estimated

Source: World Economic Outlook April 2021, IMF

The global economy is projected to grow at 6% in 2021, on a lower 2020 base. Growth will continue to be moderate at 4.4% in 2022, backed by additional fiscal support in a few large economies, coupled with anticipated recovery in the public health situation considering that vaccination has picked up pace in recent quarters. Future economic growth will depend on the severity of the new COVID-19 strains, and the effectiveness of the vaccines. The ability of various policy actions to limit persistent economic damage, as well as the evolution of financial conditions and commodity prices will further determine the future course of growth. The adjustment capacity of the economy will also play a role in defining the situation, going forward.

COVID-19 and its impact on economies

The COVID-19 pandemic has had sweeping, though diverse, impact on economies around the world. Emerging market economies and low-income developing countries, in general, have suffered significant medium-term losses. Countries that rely on tourism or commodity exports, as well as those with limited policy space to respond, have been the most impacted.

Many of the emerging economies entered the crisis with a weak fiscal capacity, which prevented them from mounting major healthcare policy responses or supporting livelihoods. This adversely impacted employment and earnings, especially for certain groups - mainly the workers with relatively lower educational attainment, and the informally employed. In this scenario, income inequality is likely to increase significantly, with approximately 95 million additional people estimated to have fallen below the threshold of extreme poverty, globally, in 2020.

Climate change and global focus

Compounding the weak sentiment is the ongoing climate change, which poses a fundamental threat to the global economy. Without successful mitigation policies, increasing temperatures will reduce global living standards by at least 5–10% by the end of the century. Though the pandemic put a pause on global emissions at the start of 2020, leading to a reduction of about 4% for the year, the improvement is projected to be temporary, with the second half of the year showing a steady rise once again. It is estimated that global economy must produce declines at the level of the 2020 lockdown period for the next 30 years to lower emissions by 80% by 2050. Without immediate and coordinated global policy action, emissions will rise again as the pandemic passes and output rises, and climate change will continue to hamper economic growth and convergence.

International oil prices

Oil prices increased by 48% between August 2020 and May 2021, on positive vaccine news and rapid economic recovery in Asia. However, a resurgence of COVID-19 cases and difficulties in vaccine rollout at the beginning of 2021 weakened the oil demand outlook. It led the OPEC+ (including Russia and other non-OPEC oil exporters) coalition to prudently review the relaxation of the 7 million barrels a day production curbs, announced in April 2020.

Oil prices are expected to be around USD 58.5 a barrel in 2021 - almost 42% higher than the 2020 average, mostly because of a temporary tight demand-supply balance expectation. The International Energy Agency (IEA) has projected a steady decline in oil inventories, with oil demand estimated at 96.4 million barrels a day and oil supply estimated at 95.5 million barrels a day, in 2021. Upside risks to oil prices arise from large cuts in oil and gas upstream investments. Downside risks arise from a setback in global oil demand recovery, continued elevated inventories, and, in the medium term, breakdown of the OPEC+ coalition.

(Source: World Economic Outlook April 2021, IMF)

The global economy is projected to grow at 6% in 2021, on a lower 2020 base. Growth will continue to be moderate at 4.4% in 2022, backed by additional fiscal support in a few large economies, coupled with anticipated recovery in the public health situation considering that vaccination has picked up pace in recent quarters.

Indian economic overview

India's economic growth fell abysmally in FY 2020-21, impacted seriously by the lockdown imposed in the initial period of the COVID-19 outbreak. However, slow tapering of the mobility and lockdown restrictions, along with pent-up demand, festive spending and Government stimulus, led to robust recovery in the second half of the fiscal. Over the last two quarters, low base, restocking, healthy monsoons, and higher discretionary spends resulted in heightened economic activity, which was led by agriculture, power and the manufacturing sectors. Cheaper interest rates further helped in spurring consumption. Lesser imports, and an accelerated pick-up of agricultural and pharmaceutical exports, also added positivity to the economic scenario.

As per the National Statistics Office, the provisional estimates of National Income for FY 2020-21 indicate real GDP contraction of 7.3% for the year, distorted on account of significant growth in subsidies. The Government initiated several investment-focussed spending programmes, like the National Infrastructure Pipeline and the Centre's Production-Linked Incentive (PLI) scheme, along with demand-driven capex, to boost economic growth. Improving investor sentiment, recovery in manufacturing and construction, investment-centred Government spending, and a massive COVID vaccination drive enabled India to end the year on a positive note, with some uncertainty posed by the second COVID wave.

Apart from the Government spending and the private final consumption, savings-backed discretionary spends of common households also majorly contributed to the economic recovery in the latter part of the fiscal under review. The accumulated savings of the salaried class in particular, resulting from limited expenses on travel and entertainment, have been partly diverted to the purchase of vehicles and consumer durables. The pent-up demand and the availability of higher savings is, therefore, again expected to drive consumption in FY 2021-22 post the second wave.

Government thrust to boost recovery

To stimulate growth in the coming quarters, the Union Budget 2021-22 centred on increased spending on infrastructure and healthcare sectors to boost economic recovery. Allocation of ₹ 27 lakh crore was made towards the Atmanirbhar Bharat Scheme to spur domestic demand and supply. To aid agriculture sector growth, coupled with development of farmers and doubling of their incomes, disbursement of ₹ 16.05 lakh crore as farm loans was announced.

With the aim of strengthening India's transportation system, the development of more economic corridors in Kerala, Tamil Nadu, Assam and West Bengal has been targeted, with an allocation of ₹ 3.3 lakh crore. The Budget announcement also proposed launch of a ₹ 18,000 crore scheme to support the augmentation of public bus transport services, allowing private companies to finance, acquire, operate, and maintain around 20,000 buses.

Future Outlook

According to the World Bank, India's GDP is expected to grow 8.3% in FY 2021-22, down from its earlier projection of 10.1%, with the enormous second COVID-19 wave undermining the sharper-than-expected rebound in activity seen during the second half of FY 2020-21, especially in services. Economic activity is expected to benefit from strong policy support, including higher spending on infrastructure, rural development and health, and a stronger-than-expected recovery in services and manufacturing sectors. The second wave of COVID-19 led to slowdown in economic growth due to localised short-term mobility restrictions. The slowdown in economic activity in the second wave is expected to be followed by recovery, as had happened after the first wave. Strong rebound in private consumption, and the investment growth witnessed in the second and third quarters of FY 2020-21, are expected to support the economy. Public consumption, pent-up private demand, significant pick-up in investment, and a large government capital expenditure push are expected to play a significant role in economic recovery.

(Source: National Statistics Office; World Bank)

INDUSTRY SECTION

Global passenger vehicle market

The global auto industry ended its decade-long growth record in 2019 with 5% decline in production to 92.2 million cars, trucks and buses. The year 2020 saw unprecedented challenges, with shutdowns across a large part of the auto industry and its many suppliers around the world, for several weeks. Production declined 16% in 2020, to 77.6 million vehicles, as per the International Organisation of Manufacturers (OICA). At 12%, the sales decline was, however, not as sharp, due to demand pick-up witnessed towards the end of the year.

Global Sales - All Vehicles

Global Sales - Passenger Cars

Region	Production growth % YoY
Europe	-21.6
NAFTA	-20.5
South America	-30.4
Asia-Oceania	-10.2
Africa	-35.3

Source: OICA

Total sales of domestic automobiles witnessed 13.6% decline, to 18,615,588 units sold in FY 2020-21, as compared to 21,545,551 units in FY 2019-20.

The decrease in sales of new automobiles in 2020 was attributable to decline in consumer demand, as many countries imposed lockdowns. The de-growth was contained due to incentives given to car buyers by certain governments. Automobile manufacturers depend heavily on supply of parts and components from various countries. As several governments restricted the movement of goods across countries, there was disruption in the supply chain, leading to slowdown in production. With continued parts supply issues, especially semi-conductors, growth in the first half of 2021 is estimated to be at a slower pace. Also, certain European governments have reduced the extent of incentives.

Even though the overall production and sales of new vehicles suffered due to the outbreak of the pandemic, the electric vehicles (EVs) growth story remained intact. According to EV-Volumes, the share of global EV market (passenger cars and commercial vehicles) increased from 2.5% in 2019 to 4.2% in 2020. This was on account of the continued focus of automotive companies and government bodies on reducing emission of fuels from vehicles, to prevent air pollution and global warming.

(Source: https://www.marketsandmarkets.com/Market-Reports/automotive-engineering-service-market-151284922.html)

Indian automobile industry performance

The USD 100 billion Indian automobile industry is one of the core sectors of the Indian economy, contributing about 49% to the country's manufacturing GDP and 7.5% to its overall GDP. The industry value chain employs over 32 million people, and the Indian automobile market is the fourth largest in the world. In the last decade, production of 2-Wheelers has nearly tripled, and that of passenger vehicles (PVs) and commercial vehicles (CVs) has doubled. The industry is also witnessing a massive qualitative jump, with increased focus on safer and more environment-friendly vehicles, driven by a mix of policy changes and changing consumer preference. As per National Automotive Mission Plan 2016-2026, the sector is expected to account for 65 million new jobs within India by 2026.

(Source: https://auto.economictimes.indiatimes.com/report2020)

The Indian automobile sector faced significant challenges during FY 2020-21, owing to the pandemic, which led to supply chain disruption, manufacturing slowdown, and decline in consumer demand. A deep structural slowdown was witnessed in sales, necessitating significant time and efforts by all stakeholders to restore growth. There was uncertainty in the value chain, owing to lockdowns, as well as issues relating to supply of semi-conductors and higher prices of raw material. Further, safety and social distancing compulsions forced consumers to avoid showroom visits, leading to adoption of digitisation and contactless vehicle buying experience. However, the industry made considerable recovery during unlock phase, with a growing preference for personal mobility.

As per SIAM data, the total production of automobiles dropped by 14% in FY 2020-21, to 22,652,108 vehicles, as compared to 26,353,293 vehicles produced in FY 2019-20. Total sales of domestic automobiles witnessed 13.6% decline, to 18,615,588 units sold in FY 2020-21, as compared to 21,545,551 units in FY 2019-20. Exports also declined 13%, to 4,128,928 units in FY 2020-21, as compared to 4,748,738 units exported during FY 2019-20.

Domestic vehicle sales (unit sold in '1000)

India's 2-Wheeler industry

The most affordable means of individual mobility, the 2-Wheelers, witnessed 13.19% YoY decline in domestic sales volumes during FY 2020-21. While scooter sales were down 19.51%, motorcycles, which are popular in rural India, saw 10.65% sales decline.

Domestic vehicle sales (unit sold in '1000)

India's 3-Wheeler industry

With most public transportation services running at minimal capacity, there was substantial drop in the demand for shared transportation and last-mile connectivity services. This had significant bearing on 3-Wheeler sales, which declined 66% YoY to 216,197 units. Public carrier volumes plummeted 74.49% to 134,087 units, and goods carrier sales dropped 26.38% to 82,110 units.

Domestic vehicle sales (unit sold in '1000)

India's 4-Wheeler industry

The passenger vehicle segment was also adversely impacted, with 2.27% decline in sales, which fell to 2,711,457 units. The biggest impact of the pandemic was felt on passenger cars and vans, which clocked 9% and 17.62% decline in sales, respectively. The utility vehicles (UVs) emerged as a saving grace, registering 12% growth in sales, to cross the one million mark for the first time. The sales growth, especially seen in the second half of the fiscal, is attributable to the launch of new models, coupled with growing need for safer personal mobility. Sales of CVs were, however, severely impacted, as most non-essential economic activities, including infrastructure development, construction and public transportation, remained suspended for a substantial part of the year.

Domestic vehicle sales (unit sold in '1000)

Electric Vehicle market

EV sales in India, excluding e-rickshaws, witnessed strong growth of 53% in FY 2020-21, with a total sale of 238,000 EVs, including 144,000 2-Wheeler EVs, 88,000 3-Wheeler EVs and 5,900 4-Wheeler EVs. Electric vehicles leverage on a higher level of energy efficiency, with hybrids having lower fuel consumption. There are, however, certain limitations of EVs, in terms of low battery life and range, high price, inadequate charging infrastructure, renewable energy-based charging, and fleet electrification. These limitations notwithstanding, the Indian EV market is expected to witness significant growth in the foreseeable future, in line with the evolving global EV market trend. Government incentives and increased focus on reducing carbon emissions are expected to be key factors in propelling growth in this segment.

Government policies impacting auto industry

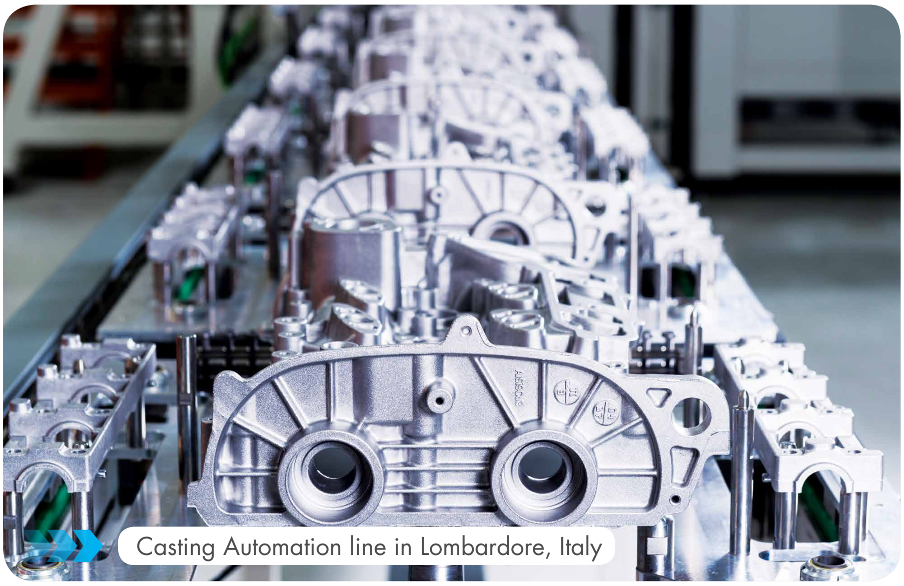
The automobile industry in India, after facing several challenges owing to COVID-19, started showing recovery in the second half of FY 2020-21. However, a temporary blip in production and sales of automobiles was triggered by the second COVID wave. Vehicle manufacturers and OEMs diverted production capabilities for augmenting availability of oxygen for medical use by providing oxygen generating plants, concentrators, cylinders and mobile oxygen vans, besides setting up vehicle tracking systems in oxygen carrying vehicles to reduce their turn-around-time, etc. Supply chain related production challenges re-emerged due to lockdown restrictions. The impact on demand was attributable to low consumer sentiments and inability to close deals due to lockdown restrictions.

Entering into FY 2021-22, the industry is expected to witness similar slowdown-recovery scenario as seen in the first COVID wave, with the announcements in Union Budget 2021-22 expected to catalyse restoration of consumer and market confidence. The Government announced various schemes to strengthen and give the much-needed boost to the automobile sector, with strong focus on curbing air pollution and increase in customs duties of auto components. The budgetary announcements are aimed at providing long-term impetus to the sector by strengthening the fundamental growth drivers.

Some beneficial schemes include:

- Introduction of voluntary vehicle scrapping policy, for private cars older than 20 years and commercial vehicles older than 15 years. Taking 1990 as the base year, around 37 lakh commercial vehicles and 52 lakh passenger vehicles will be eligible for voluntary scrapping. This announcement was in line with the Government thrust on keeping air pollution levels under control. The need for new vehicles, to replace the vehicles that are expected to go off the road, will boost automobile sales.

The turnover of the automotive component industry stood at ₹ 349,000 crore (USD 49.20 billion) during FY 2019-20, registering a drop of 11.70% over FY 2018-19. Auto component exports dropped 3.20% to ₹ 102,000 crore (USD 14.50 billion) during the period.



Casting Automation line in Lombardore, Italy

- Rates of select auto parts were raised by 10% to 15%, impacting the manufacturers importing these materials. The scheme is in keeping with the Atmanirbhar Bharat initiative, and aimed at promoting the local automobile components industries. The custom duty on import of steel was reduced to 7.5%, helping the struggling MSME sector to bring down its costs.

- Allocation of ₹ 1.18 lakh crore for the Ministry of Road Transport & Highways to build highways, stretching 8,500 km, by March 2022. This step by the Government will eventually generate demand for the commercial vehicle industry and boost construction equipment sales.

- Allocation of ₹ 18,000 crore to support the augmentation of public bus transport services, to enable the private sector to contribute in financing, acquisition, operation and maintenance of 20,000 buses. This will provide a significant boost to the automobile sector.

Continued focus on building rural and agricultural infrastructure, along with prioritisation of agriculture credit growth, is expected to have a long-term positive impact on rural demand for vehicles.

Outlook

With travel restrictions easing in the second half of FY 2020-21, growth in some high-volume segments witnessed revival, at the back of good harvest, festive season and pent-up demand. 2-Wheelers and PVs witnessed strong recovery in demand. The Indian automobile industry is expected to witness strong growth in FY 2021-22, especially in the EV 2-Wheeler segment, with increased preference for personal mobility. By 2030, EV in India is expected to reach USD 206 billion, as per a study by CEEW Centre for Energy Finance.

As per IBEF, the Indian automotive industry (including component manufacturing) is expected to reach USD 251.4 - 282.8 billion by 2026. The sector is set to benefit from new tailwinds, such as global supply-chain rebalancing, government incentives to increase exports, and technology disruptions. Digitalisation is the new mantra for the industry, with large manufacturers already trying to provide the best car buying and selling experience, through usage of VR (Virtual Reality), IoT (Internet of Things) and AR (Augmented Reality).

Indian auto component industry

In India, the auto manufacturing industry plays a pivotal role in the country's economic growth, contributing 7.5% to its GDP. The turnover of the automotive component industry stood at ₹ 349,000 crore (USD 49.20 billion) during FY 2019-20, registering a drop of 11.70% over FY 2018-19. Auto component exports dropped 3.20% to ₹ 102,000 crore (USD 14.50 billion) during the period. Aftermarket remained stable at ₹ 69,381 crore (USD 9.80 billion). However, sales to OEMs in the domestic market dropped 17% to ₹ 287,000 crore (USD 40.5 billion).

In terms of future projections, aftermarket spending could be flat in the short-term, given that mobility restrictions have reduced vehicle miles travelled, collisions, as well as traffic jams, thus cutting down the wear and tear of vehicles. However, as more people postpone buying new vehicles given the pandemic, the need for repairs on existing and second-hand vehicles provides ample opportunity for the long-term growth of the auto component industry. Government initiatives, like supply side interventions and change in the definition of the MSME sector with doubling of the budget for MSMEs, are also expected to benefit the auto component industry.

Die heating of Cylinder Head at a plant in Waluj, Aurangabad

Global OEMs are also increasing their sourcing from India, which they are increasingly looking at as the preferred destination for auto component designing and manufacturing.

The Automotive Component Manufacturers Association (ACMA) and Society of Indian Automobile Manufacturers (SIAM) are working closely to enhance deep localisation in the auto component sector, to improve price competitiveness in the global market. In addition to enhancing exports, the auto component industry is also targeting to curb import of spurious and sub-standard components that are purchased due to lower pricing. The PLI scheme announced by the Government of India, details of which are awaited, is aimed at enhancing the industry's export competitiveness through incentives. The auto component industry finds huge scope to localise and substitute imports of high-value parts, such as engine/engine components, engine electricals, fuel systems and exhaust parts, as well as gearbox parts. The players can also target to expand capabilities through innovations to match BS-VI standards, which can help replace certain imports with components made in India. Possible collaborations with global suppliers, who are relocating manufacturing operations to India, could further reinforce these efforts and help build new capabilities.

The key growth drivers for the auto component industry include:

- Advent of autonomous vehicles
- OEM and government focus on electric vehicles
- Use of advanced technology
- Concerns of vehicle and passenger safety
- Vehicle light-weighting

Also, the marked increase in private equity investment in the first half of FY 2020-21 bodes well for liquidity in the auto component sector in the future. Several global firms are looking to invest in the Indian auto component industry, with focus on companies that make parts for internal combustion engine vehicles and electric mobility. Further, with more auto parts retailers adopting e-commerce and digital channels, end-users have started shopping for replacement parts online.

Global OEMs are also increasing their sourcing from India, which they are increasingly looking at as the preferred destination for auto component designing and manufacturing. As supply chains shift, India could expand its share in the global auto components trade. Currently, the country contributes only a small percentage to the total imports of its biggest buyers – 2.2% in the US, 1% in Europe, and 0.6% in China. To grow trade, India could benefit from a targeted export expansion and import substitution programme. It can target higher exports in categories where it has a competitive edge, such as shafts, bearings and fasteners. By building capabilities for high-value products, such as gearbox parts, heating, ventilation and air-conditioning (HVAC) products, component manufacturers could broaden their global export presence.

As per ACMA, the domestic auto component industry is expected to log in double-digit growth in FY 2021-22, with strong growth prospects for all segments of the vehicle industry. However, the industry may have to grapple with near-term headwinds, like high commodity prices, shortage of semiconductors and containers, and increasing freight costs, which could impede growth.

(Source: McKinsey's Shaping the new normal – India's auto component industry dated September 2020; ACMA)

COMPANY OVERVIEW

About the Company

Endurance Technologies Limited (Endurance / the Company) is a leading auto component manufacturer, with an expanding global footprint. It is the largest aluminium die-casting company, and the largest 2-Wheeler and 3-Wheeler auto component manufacturer in India. Catering to the complete range of customer needs, the Company has emerged as an end-to-end supplier, from design to manufacturing, and culminating in aftersales service, for aluminium die-casting and alloy wheels, suspension, braking systems and transmission products, along with aftermarket service.

In business since 1985, the Company stands tall today as leader in the aluminium die casting segment in India, in terms of total output and capacity.

The Company is a Tier-I supplier to leading Indian and global brands in 2-Wheeler, 3-Wheeler and 4-Wheeler vehicles. It also has extensive presence in Europe through overseas subsidiaries in Italy and Germany. The primary focus of the Company is to create shareholder value through robust business growth, operational excellence and high corporate governance, supported by innovation and sustainable operations.

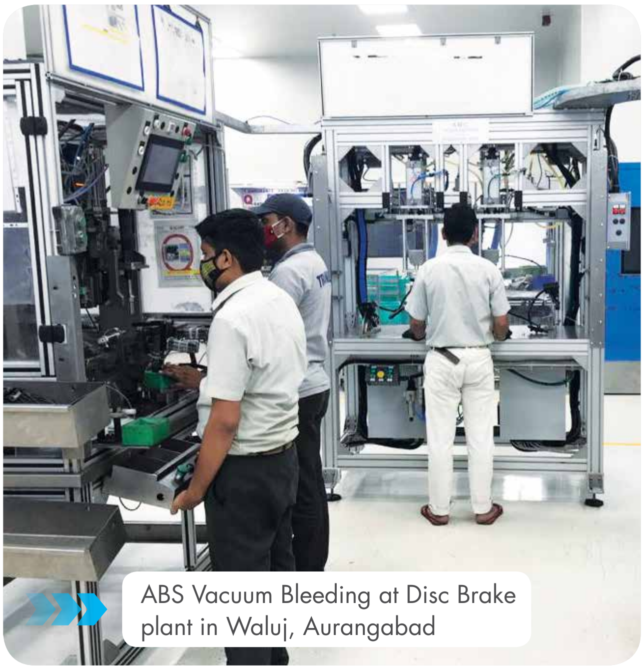
Manufacturing and R&D Strengths

The Company has 27 state-of-the-art manufacturing facilities, of which nine are in Germany and Italy, with an export footprint spread across 29 countries. In India, the Company has 18 manufacturing facilities, strategically located across Maharashtra, Gujarat, Uttarakhand, Tamil Nadu and Karnataka. During the year under review, the consolidation of foundry activities from two plants in Italy into one plant was completed, enabling annual savings of €600,000.

The new plant at Vallam near Chennai, which started operations from February 2021 for production and supply of aluminium castings to certain OEMs, has added to the Company's manufacturing capacities. The Company is working on acquiring new business from more OEMs for this plant, which will also carry out integration of disc brake components with control brake modulators.

Capacity addition and infrastructure expansion is a continuing process at Endurance, which is moving into production of two new products – steel braided hose and aluminium forgings, as part of its backward integration initiative. Steel braided hoses are required for ABS brakes, and aluminium forgings for inverted front forks. The import substitution of these products, which were being outsourced, will enable better quality adherence and increase profit margins. Production of these import substitutes is expected to start by the end of the first quarter of FY 2021-22.

A new plant at Waluj is being set up for increasing the disc brake assembly capacity from the existing 285,000 a month to 570,000 a month, and the disc capacity from 375,000 a month to 675,000 a month. The Company is also setting up an aluminium cylinder head low pressure die casting plant at Pantnagar, Uttarakhand, for 720,000 pieces per annum, and the same is expected to become operational in Q2 FY 2021-22. To meet the growing demand, the Company is increasing capacity of alloy wheels from 240,000 per month to 320,000 per month, in its existing Chakan plant in Pune, with production of the additional capacity expected to commence in Q3 FY 2021-22.



ABS Vacuum Bleeding at Disc Brake plant in Waluj, Aurangabad

Casting plant at Vallam, Chennai

The Company closely monitors, and ensures process controls and inspection of its manufacturing facilities to ensure sustainability. It remains committed to increasing automation, with partial automation in highly labour-intensive areas like die-casting, besides consolidation of plants, as well as restructuring of staff and workers to ensure cost optimisation.

The Company also has four modern and advanced R&D facilities, approved by the Department of Scientific & Industrial Research (DSIR), located in Aurangabad and Pune, to steer its strong innovation focus. With the acquisition of Adler SpA in Italy, the Company has added a transmission technical engineering centre to its existing castings technical centre in Europe.

The Company's 29-acre test track, Endurance Proving Ground (EPG), is a testimony to the Company's commitment towards achieving and maintaining industry and market leadership. Endurance is the first Tier 1 supplier in India to develop a state-of-the-art proving ground to test products directly on the vehicle. EPG consists of different test surfaces, required for evaluation of suspension, transmission and brake assemblies of 2-Wheeler, 3-Wheeler and quadricycles, including high speed performance track, ride evaluation track, ABS evaluation track, ride & handling track, gradient track, steering pad, mud & water trough, dust tunnel & country track. It is designed for evaluation of key vehicle metrics, such as handling and manoeuvrability, ride comfort, driveability, brake/ABS performance, and reliability. The versatility of EPG is reflected in its ABS test surfaces, equipped for testing the brake system under wet and dry conditions, on different friction surfaces, such as basalt tile, ceramic tiles, high μ (0.9) asphalt, polished concrete and loose gravel. EPG is managed from a central control tower at the operations centre, which includes fully-equipped confidential workshops required for preparing the vehicles for testing, riders' rest areas and the test track maintenance building. EPG has certified test riders, trained by global experts in vehicle riding and evaluation of suspension, transmission & braking products. EPG has been certified by ARAI for testing 2-Wheelers and 3-Wheelers.

New product development

The Company has a strong edge in offering 'first time right' auto components for new vehicles, as well as for the aftermarket segment. With robust state-of-the-art manufacturing capabilities, R&D centres and testing facilities, Endurance is emerging as the partner of choice for auto OEMs, with its technological edge and proven track record. Frequent changes in vehicle technology and regulatory specifications have enabled the Company to demonstrate its ability to innovatively cater to the ever changing needs of its partner OEMs. Its ability to develop technologically driven futuristic products is led by low cost automation and Computer Aided Engineering (CAE), rapid prototyping, accelerated durability evaluation in labs, and structured & effective failure analysis.

The Company has specialised Cross Focus Teams (CFT) working on Value Analysis / Value Engineering (VAVE), to ensure customer satisfaction. Application of alternative materials, alternate processes, yield improvement, standardisation, part count reduction and light-weighting are the key thrust areas of the value engineering efforts at Endurance. VAVE enables the Company to design, develop and offer technologically advanced, superior quality and cost effective products.

The Company has strong in-house engineering capabilities and state-of-the-art infrastructure for design, virtual validation (CAE-Computer Aided Engineering Analysis), development, lab testing and vehicle testing at the proving ground. Backed by long-standing relationships with key vendors, effective use of its capabilities, and strong customer engagement, the Company ensures continuous product and processes optimisation.

Business overview

Led by the new order and a healthy revival of demand post the first lockdown, the Company clocked its highest ever sales in the third quarter of FY 2020-21.

Driven by robust sales, return on investments and enhanced profits, the consolidated EBITDA and profit after tax margins also held close to last year's levels despite the pandemic. Aftermarket sales from Indian operations registered growth in both domestic and export markets.

During FY 2020-21, 73% of consolidated total income, including other income, came from Indian operations, and the balance 27% came from European operations. In India, ₹ 6,380 million of new business was won from new OEM partners. The Company received ₹ 15,000 million worth of requests for quotes (RFQs) from OEMs, from which sizeable business wins are expected.

In Europe, the Company acquired €19.3 million of new business with esteemed OEMs. During the last two years, €110 million of business has been won for electric and hybrids, production for which started in FY 2020-21 and is expected to reach peak volume in FY 2023-24. This represents half of the Company's existing total Europe business value.

During FY 2020-21, the overseas company, Endurance Overseas Srl, acquired 99% stake of a 2-Wheeler clutch company, Adler SpA, which in turn acquired 100% stake of the 2-Wheeler brake company Grimeca Srl. These acquisitions give Endurance access to fresh know-how, brand and trademarks, enabling it to enter the 200cc plus motorcycle clutch assembly and brake assembly markets.

As an additional source of profitable revenue growth, the Company has forayed into trading of 2-Wheeler and 3-Wheeler tyres for both, exports and domestic markets. In India, the Company has 97 distributors for tyres, complementing its 377-strong distributor network for other after-market products.

The Company constantly endeavours to grow through organic and inorganic means, with focus on technology upgradation, quality improvement, cost competitiveness, as well as environment, health and safety. A strong balance sheet and liquidity position enable the Company to move forward on its growth journey without any compromises. They enable the Company to stay ahead of competition, and invest in future growth irrespective of the industry scenario. Amidst the COVID-19 disruptions, the Company managed smooth business operations, strengthened business relationships and vendor supply chain, and outpaced industry growth. The Company focussed on control over costs, working capital and capex, in order to further strengthen its balance sheet.

CRISIL, a leading credit rating agency in India, upgraded the long-term rating of the Company to AA+ with stable outlook - among the highest in the Indian auto component industry. This is an endorsement of the Company's ability to continue on its industry-leading growth trajectory, with improved financial strength and risk profile. For short-term bank financing, the Company has the highest rating of A1+.

In October 2020, the Company announced a voluntary separation scheme for all its eligible permanent employees/ workmen employed on the rolls at its oldest die-casting plant at Aurangabad. The Company accepted separation of 86 permanent workmen, with a one-time payout of ₹ 112 million. This led to annual wage cost saving of ₹ 48.7 million, with additional savings in other associated costs, resulting in greater efficiency in the plant operations. Recently, the Company announced another such scheme at one of its casting plants in Chakan, to lower headcount and sustainably improve operations.

Product Segment Performance

Casting Business

Aluminium die casting

With over three decades of experience in tooling, development, and manufacturing of high pressure, low pressure, and gravity die-casting products for Indian and overseas OEMs, Endurance is the market leader in aluminium die-casting and machining. The Aluminium die casting segment constitutes almost 35% of the Company's standalone revenues.

During the year, the Company's main focus in this segment was on increased value addition. It began supplying fully finished machined castings to its key OEM customers. The Company is also working to increase its market presence in the non-auto and tractor segments, and secured an order for supplying to tractors during the year.

The Company is also setting up low pressure die casting capacity for 2-Wheeler cylinder heads at its Pantnagar plant and is expected to be completed by Q3 FY 2021-22.

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The Company has embarked upon a project to increase its alloy wheel manufacturing capacity during the year, to cater to new business wins. It also bagged significant orders from large OEMs for passenger cars / 4-Wheeler fully machined casting business. With its new plant at Vallam for production of machined castings, the Company will be able to serve more orders from this facility.

In Europe, the Company won €110 million worth of new business for fully finished machined castings, of which €80 million was for hybrid cars.

The Company focussed on eliminating fettling operations for magneto covers and cylinder barrels as part of process improvement. For the first time, it also developed dies for structural parts.

Endurance improved profitability in raw and machined castings during the year, through increased productivity, enhanced operational efficiency, and better product mix. Focus on value additions, like fully finished castings and higher degree of automation, are expected to further boost profitability. With all the new business wins, especially in the 4-Wheeler segment, future prospects for the casting segment look robust.

The Company has an in-house state-of-the-art tool room facility at Chakan, for designing and developing dies in a highly technologically enabled environment, enabling it to continuously strengthen its position in die casting.

Proprietary Business

Suspension

The Company is a pioneer and market leader in high performance suspension systems for 2-Wheeler, 3-Wheeler and quadricycles. With over two decades of experience, Endurance designs and produces a wide range of front forks and shock absorbers, to provide safe, stable and comfortable riding experience across all road surfaces. This helps passengers to be relatively isolated from road noise, bumps and vibrations. Endurance is credited with being the only company in India to design, develop and manufacture adjustable and non-adjustable damping force inverted front forks and mono shock absorbers. It supplies suspension products in both, domestic and international markets.

The inverted front forks business is seeing good traction, and is expected to accelerate significantly, with new order wins expected from several domestic 2-Wheeler companies.

Inverted Front Fork Line at E-92, Waluj, Aurangabad

During the year, the segment witnessed robust sales, led by new customer additions and growth in volumes for orders won in the recent past:

- Scooter suspension business from a leading Japanese 2-Wheeler OEM, which peaked in January 2020, but fell again during the pandemic, but is expected to again rise to ₹ 3,500 million in FY 2021-22.
- ₹ 3,500 million worth of suspension business from another large 2-Wheeler OEM, expected to reach 4,700 vehicles per day in FY 2021-22.
- Suspension business started with a South India based OEM.

The Company focussed on Inverted Front Forks (IFF) and adjustable rear mono shocks /emulsion shocks for high-end models of motorcycles. With the help of an esteemed European collaboration partner, it is also developing front forks and shock absorbers for electric 2-Wheelers.

The Company launched a backward integration project for aluminium forging axle clamps, which are required for the growing business of inverted front forks.

The inverted front forks business is seeing good traction, and is expected to accelerate significantly, with new order wins expected from several domestic 2-Wheeler companies. With support from a European technology provider, the Company aims to increase supply of the on-road, and also start with the off-road, motorcycles, including inverted front forks and rear mono shockers for higher cc vehicles.

Braking Systems

Endurance is a leading player in high performance braking solutions for 2-Wheelers and 3-Wheelers. With over 17 years of experience, the Company has developed capabilities to deliver reliable and 'first time right' products. Its braking solutions are designed for lesser stopping distance and better stability during deceleration, thereby ensuring rider safety. Endurance is the first company in India to design and manufacture brake systems with split type calipers, integral callipers, and fixed type callipers. It is also the pioneer in designing and manufacturing master cylinders with both integral reservoir and remote reservoir. During the year, the Company established a plant in Pantnagar for CBS manufacturing, and an assembly unit in Vallam plant for integration of disc brake components with control brake modulators.

The acquisition of Grimeca Srl in Italy helped in winning significant business for 200cc plus motorcycles during the year. Backed by strong IP support and brand equity of Grimeca, it aided the Company in making significant inroads in the 2-Wheeler market.

Segment growth during the year was led by new and replacement business from existing customers for braking systems, CBS braking systems, as well as from new customers. The regulatory norm mandating CBS in up to 125cc and ABS for larger bikes also led to market growth for the Company's disc brake systems. The Company is expanding its capacity in braking segment to realise its vision of establishing itself as the market leader.

The Company is focussing on ABS, and has already bagged its first order from an OEM for one model. Robust quality, strong technology, and competitive pricing in a limited competition market are the elements powering growth in this business segment. The backward integration of steel braided hoses, required for the ABS, is expected to further steer profitability and growth in this segment.

The Company is planning to launch ABS for 150cc plus motorcycles, in collaboration with its US-based technology partner. The ABS with electronic and hydraulic Control Units is expected to be launched and produced in October 2021. The move is aimed at tapping into the huge existing market opportunity in this space, with limited competition.

Transmission

Endurance is a well-established player in transmission systems for 2-Wheelers and 3-Wheelers, with over two decades of experience. It holds close to 14% market share in transmission. Driven by its in-depth understanding of Indian driving habits, the Company is continuously innovating to design, develop and manufacture a wide range of reliable clutches and Continuous Variable Transmissions (CVTs). Its robust capabilities help in ensuring `first time right' and breakthrough products, through value addition and value engineering. The products are tested by simulating the exact vehicle operating conditions, which enables the Company to deliver reliability and excellent performance, with reduced development time.

The Company enhanced its capacity for production of paper-based friction clutch plates, and started supplies for new models. As part of its value addition focus, it has embarked upon the development of new generation clutch assemblies for high-end motorcycles of 200cc plus, with the acquisition of an Italian company, Adler SpA, in April 2020. The Company is also working on replacing cork-based clutch assemblies with paper-based clutch assemblies for certain motorcycle models. In the scooter category, CVT or automatic clutch development progressed well for major OEMs.

Endurance Adler SpA (erstwhile Adler SpA) is an advanced service and manufacturing company, with focus on conceiving, designing, prototyping, sampling, testing and manufacturing clutch assemblies for motorcycles and automotive sector.

EV and hybrid

The growth prospects for EVs, in both domestic and European markets, are huge. The Company has already bagged orders for brake assemblies, suspension and aluminium castings for EVs in the domestic market, and for castings in Europe. It has also won orders for supply of EV components, such as adapters, deckels, housings, oil modules, etc., to several leading OEMs in Europe. Further wins are expected to materialise in the coming year.

During FY 2021-22, the Company will start supplies of brake assemblies, suspension and aluminium castings, including battery housing castings, for electric scooters and 3-Wheelers. The Company collaborates for EV-related product development with existing OEM customers and new EV companies that have the financial strength, technology, efficient supply chain and robust distribution network.

Aftermarket

The Company caters to the replacement market for components of 2-Wheelers and 3-Wheelers through its aftermarket business. With over 19 years of experience, the Company has significantly increased its presence in domestic and international markets, with 377 distributors in India and 42 dedicated distributors across 29 countries. Additional 97 distributors have been appointed for the newly set up tyre distribution network.

The easing of lockdown during the early part of FY 2020-21 saw a spurt in 2-Wheeler sales, with more and more people opting for personal mobility instead of public transport, in view of the sporadic restrictions and safety concerns. With usage and purchase of motorcycles going up, the demand for spare parts also increased. However, while the 2-Wheeler aftermarket picked up pace, the 3-Wheeler market suffered, as public transport usage decreased substantially. Similar trends were witnessed in the export markets, with substantial growth in 2-Wheelers, especially in countries like Sri Lanka where 2-Wheeler volumes almost doubled. Currently, the Company exports to 29 countries, of which 3 were added in FY 2020-21. The Company is in the process of adding 5 more countries for aftermarket exports in FY 2021-22.

The Company's in-house products include Suspension, Braking Systems and Transmission, while some other products are outsourced. An extremely stringent process for selection of contract manufacturing vendors is in place, with the Company ensuring strict adherence by the vendors to its SQA. During the year, the Company added a few new products, like tyres for 2-Wheelers, 3-Wheelers, e-rickshaws, wheel rims and 2-Wheeler brake shoes. During the year, Endurance undertook digitisation to spread brand awareness, and also initiated several programmes to train, raise awareness, and resolve any concerns of its distributors.

Overseas Subsidiaries

From early March 2020, the operating subsidiaries in Europe adopted all the precautionary measures advised by the national and international health authorities, to protect the health of their employees and make their workplaces as safe as possible. The companies introduced behavioural and organisational protocols, and careful monitoring thereof. Measures included ensuring social distancing, prohibition of gatherings, ensuring personal cleanliness, defining regulation for use of common areas, entry controls, defining areas and routes reserved for visitors, prohibition on travel and physical meetings, and increased use of virtual platforms for conducting meetings.

Adherence to these measures, and the orderly approach of the workforce, enabled the companies to resume operations after the initial lockdown was eased by the authorities.

Endurance Overseas Srl, Italy (EoSrl): EoSrl, a subsidiary of the Company, is a Special Purpose Vehicle incorporated in Italy for the purpose of making strategic overseas investments. The Company holds 95% of the share capital in EoSrl, and Endurance Amann GmbH, Germany ("Amann"), a wholly-owned subsidiary of the Company holds the balance 5% share capital.

EoSrl is also entrusted with rendering management support services to the Endurance Group entities in Europe for certain critical functions that are centralised at EoSrl for strategic reasons.

During FY 2020-21, EoSrl reported a reduction of 19.9% in total income, to € 8.8 million as compared to € 11.0 million in FY 2019-20. Profit after tax saw an increase of 156.3%, to € 9.5 million as against € 3.7 million in the previous year. The reduction in sales is due to the lower services billed to the subsidiaries, and also the reduced activity as a result of lockdown constraints and the other effects of COVID-19 pandemic. Net profit increase is mainly attributable to the income tax benefits and higher dividends received from subsidiaries.

Endurance Group recently added components for clutches and braking systems for the motorcycle segment in Europe. With superior technical skills, available within the Group, in development and design of innovative solutions, a centre of excellence for the design of components for motorcycles is being created in Italy. The technological expertise in this niche product segments will complement the overall offering by the parent company to its OEM customers, and help make inroads in other geographical regions and different product applications in the future.

Endurance SpA, ("ESpA") is a step down operating subsidiary of the Company in Italy, and is primarily engaged in the production of high pressure die casting and machining components, such as engine, gearbox, transmission parts, for the automotive sector, and assembling of other metallic components like aluminium alloys, cast iron and steel.

During the year under review, ESpA witnessed 19.7% decline in total income to €139.7 million as compared from €173.9 million in FY 2019-20. The de-growth is an outcome of the unprecedented COVID-19 pandemic impact, resulting in slowdown of economic activities, including on the automotive market, and the effects of the lockdown measures imposed in various countries, further restricting people mobility. Profit after tax declined 27.2%, to €9.2 million as compared to €12.6 million in the previous year. The operations during the year yielded a net profit, despite the significant market contraction and the difficult operating conditions due to the complexities induced by COVID-19, such as irregular production schedules from customers. A positive contribution to the company's profitability was driven by prudent risk management measures, cost controls and also lower tax burden.

During the year, ESpA undertook consolidation of its foundry activities, whereby the plant operations, including workmen and necessary plant & machinery, from its plant in Grugliasco were shifted to the Chivasso plant. This step was taken to improve the operating & cost efficiencies, and achieve economies of scale.

Endurance Amann GmbH ("Amann"), a wholly-owned subsidiary based in Germany, manufactures high pressure die casting and machining components. It caters to large automotive OEMs in the German market.

During the year under review, Amann witnessed 11.5% decline in total income to €43.2 million from €48.8 million in the previous year. The decrease is mainly due to reduced sales caused by unprecedented effects of the COVID-19 pandemic.

Profit after tax was €2 million as compared to €1.6 million in the previous year. The higher net result, despite the lower sales, was driven by cost containment and the lower depreciation charge. Reduction in depreciation charge was due to extended useful life as certain machines were able to produce a wider array of products.

Endurance Engineering Srl, ("EEsrl"), a step down operating subsidiary of the Company in Italy, is primarily engaged in the production of plastic components for automotive applications.

During the year under review, EEsrl witnessed 32.8% decline in total income to €9.8 million from €14.6 million in the previous year. Profit after tax stood at €0.6 million, as compared to €1.3 million in the previous year.

EEsrl continues to support the Group in offering solutions to its customers in producing engineering plastic components that are replacing some of the aluminium products. It aids the Group in aligning itself to the plans of OEMs to shift to alternate lighter material components.

Endurance Castings SpA, ("ECSpA"), a step down operating subsidiary of the Company in Italy, is primarily engaged in manufacturing of high pressure die casting and machining components.

During the period ended 31st March 2021, ECSpA witnessed 16.4% decline in total income to €28.1 million, from both captive and non-captive customers, as compared to €33.7 million in the previous year. Profit after tax declined 25.5%, to €1.4 million as compared to €1.8 million in the previous year. The reduction in sales and profit are a result of the effects of COVID-19 pandemic that also impacted the Company's operating performance due to lockdown constraints triggered by the coronavirus outbreak and consequent issues of workforce availability.

Endurance Adler SpA, ("EASpA"), a step down operating subsidiary of the Company in Italy, is primarily engaged in manufacturing of clutches and brakes systems, along with other metal rubber components for the 2-Wheeler market.

During the period ended 31st March 2021, EASpA reported a total income of €7.4 million, and a loss after tax of €1.2 million.

Supply chain - sourcing & challenges

Endurance believes business growth and sustainability to be dependent on its three pillars of: management team, customers & suppliers, and financial strength. The Company has established long-lasting relationships with all its vendor partners. Led by a business-friendly approach, it extends timely or earlier payments, provides logistics support for evacuating materials from the vendor's end, and also helps vendors in arranging labour support at their facilities.

Amidst growing uncertainty in the year gone by, the Company supported its vendors in planning capacities and increasing orders, while also extending financial assistance in some cases. To ensure smooth business operations, the Company increased the capacity of existing vendors and created new vendors as per need. Despite the challenges amidst lockdown and restricted mobility, the sourcing team ensured business continuity through effective communication with the vendors, besides working at prices suiting their business viability.

The Endurance Vendor Association (EVA) supported the Company's efforts to develop a collaborative network and capabilities, by standardising and adopting the best practices. Leveraging its robust vendor connect, it continued to help the Company deliver superior quality at competitive prices, with excellence on Quality, Cost, Delivery, Development and Management (QCDDM) parameters. The Company has effectively managed to reduce capex by enhancing the list of its lifetime suppliers for semi-finished materials. Various parameters, such as quality, cost, environmental and legal compliance, financial stability and management capabilities, govern the Company's strict vendor selection process.

To enhance quality focus and minimise imports, the Company is now also looking at in-sourcing some of the products it has traditionally been outsourcing. It is exploring import substitutes and cheaper alternatives to replace the imports.

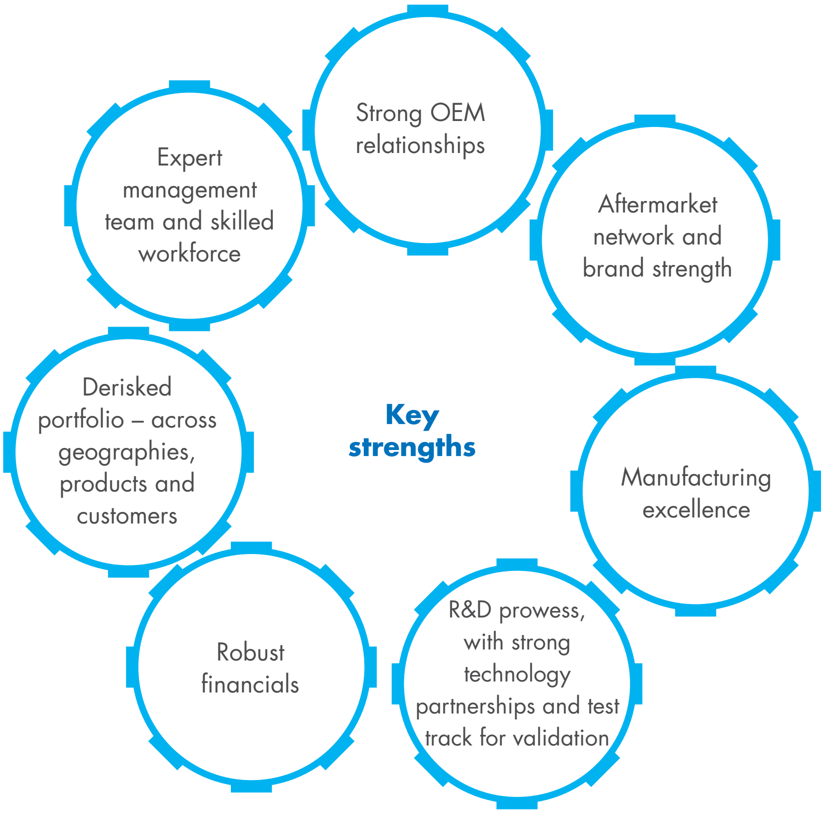
Production capabilities

Endurance considers QCDDM to be of prime importance to ensure market leadership and business sustainability. The Company's strict quality compliance has enabled it to build a strong customer network in both, domestic and overseas markets. This strategic approach has enabled the Company to outpace industry growth consistently. The core values of CITTI (Customer Centricity, Integrity, Transparency, Teamwork and Innovation), along with QCDDM parameters, ensure customer satisfaction, internal process control, and improved corporate governance. All outsourcing business partners and vendors also follow QCDDM parameters, ensuring strong and integrated supply chain, thus leading to business continuity and value creation for all stakeholders.

The Company has also adopted TPM as a holistic and ingenious approach to equipment maintenance, in its quest to achieve perfection in manufacturing. TPM emphasises proactive and preventive maintenance to maximise the operational efficiency of equipment, and also empowers operators to help maintain their equipment. The Company's TPM programme creates shared responsibility for equipment, thus encouraging greater involvement on the shop floor. It is an effective tool for improving productivity by increasing uptime, reducing cycle times, and eliminating defects. It has enabled the Company to achieve less unplanned maintenance, reduced equipment downtime, cost optimisation, automation, space savings, higher levels of work place safety, and defect-free manufacturing on assembly lines.

In the die casting business, the Company has improved material handling processes and lowered human dependence on critical operations through TPM. The Company is also moving from zero manual trimming to hydraulic trimming operations. In the suspension segment, the assembly lines in one of the plants have already been upgraded to attain complete productivity improvement. TPM has also enabled real-time quality checks and reduced manpower requirements on running operations.

Key strengths



As part of its manufacturing excellence thrust, the Company is continually augmenting its capabilities in process knowledge, efficiencies, cost control, quality and asset sweating.

Risks and Concerns

Industry/Macro downturn

The Company is likely to get impacted in the event of a macro-economic slowdown or an auto industry specific downturn.

Mitigation strategy: Driven by strong product diversification, improved product mix, widespread geographical presence and long-lasting relationships with all stakeholders, the Company is well placed to outpace industry growth even in a challenging environment.

Global pandemic outbreak

A highly infectious third/fourth wave of COVID-19, leading to lockdowns or restricted mobility, could impact business growth of all auto component manufacturers, due to reduced demand for new vehicles, as well as lower wear and tear of existing ones.

Mitigation strategy: Led by several pre-emptive cost optimisation initiatives, the Company is equipped to handle the increased cost burden amidst such risks.

Raw material price volatility

Aluminium and steel are the major raw materials for the Company. Any disruption in availability or pricing of these raw materials may have a significant bearing to business profitability.

Mitigation strategy: To insulate itself from price volatility, the Company has signed contracts with OEMs, which enable it to pass on price increases, thereby protecting its own margins.

Commodity price risks and commodity hedging activities

The Company has adequate risk assessment and minimisation system in place including for commodities. The Company's profits are not materially exposed to fluctuation in prices of any commodity. While the Company's raw material costs are impacted by changes in the prices of aluminium and steel, the risk on the Company's profits due to such changes is mitigated by pass-through mechanism in prices contracted for finished goods. Thus, the Company has no exposure in any particular commodity that needs to be hedged through commodity derivatives.

Concentration of customers

Business sustainability faces risk when revenue contribution by a few customers is significantly high, as any disruption in their businesses has a direct bearing on profitability.

Mitigation strategy: The Company has adopted a conscious strategy to enlarge its customer base, while continuing to increase business from existing customers. Geographical expansion, both in domestic and international markets, further enables the Company to reduce dependence on a select few customers, thus de-risking the business. The Company mostly caters to OEMs who are market leaders in their respective segments, ensuring low volatility in business prospects of such clients.

Intensifying competition

Lucrative growth prospects of the Automobile and Auto components industries are always attracting new players to the market.

Mitigation strategy: The Company has a strong foothold in its existing product categories, in both Indian and European markets. Further, its rich experience, strong relationships with all stakeholders, superior quality, technological edge and competitive pricing make it difficult for competitors to capture market share from Endurance.

Talent acquisition and retention of key resources

Human capital is a key resource for the Company, and drives its sustained business growth and profitability.

Mitigation strategy: The Company is committed towards building and sustaining a high performance culture and ensuring development of employees along with its strategic growth. Well-defined HR policies take care of both personal and professional growth of the employees, thereby attracting new talent. Regular trainings for skill upgradation and personal development, coupled with robust policies regarding work acknowledgement and recognition, ensure minimum attrition and ample learning & development opportunities for the employees. The Company's unwavering focus on people development has led to a performance driven and positive work culture.

Financial performance

FY 2020-21 results include the abnormally adverse numbers of the first quarter, which was impacted by the prolonged suspension of operations due to the pandemic.

- Consolidated Total Income including Other Income decreased by 5.6% to ₹ 65,777 million as compared to ₹ 69,653 million in the previous year.
- Of the total Consolidated Total Income including Other Income, 73% came from Indian operations and balance came from European operations.
- Standalone Total Income including Other Income de-grew 3.8% to ₹ 47,866 million as compared to ₹ 49,748 million in the previous year. The growth was led by faster month-on-month recovery post the relaxation of lockdown.
- Sales from European business declined 18% in Euro terms.
- Consolidated EBITDA de-grew 9.1% to ₹ 10,709 million as compared to ₹ 11,784 million in the previous year.
- Consolidated EBITDA Margin dropped slightly to 16.3% from 16.9%.
- Consolidated PAT de-grew by 8.1% to ₹ 5,196 million as compared to ₹ 5,655 million in the previous year. This includes the Maharashtra state mega project incentive of ₹ 872.18 million.
- Aftermarket sales from Indian operations grew by 4.7% to ₹ 3,116 million as compared to ₹ 2,977 million in the previous year. Aftermarket business in India was almost 6.5% of India net sales. The Company is witnessing large growth in the aftermarket business, both for supplies in India as well as overseas. The Company is targeting to increase revenue contribution from this business to at least 10% of domestic net sales. The Company is exporting to 29 countries, and is in the process of adding 5 more countries for exports in FY 2021-22.

Management outlook

Led by its five core values of Customer Centricity, Integrity, Transparency, Teamwork and Innovation, the Company strives hard to fulfil expectations of all stakeholders. It is constantly seeking to grow through both organic and inorganic routes, with strong focus on technology upgradation, quality improvement, cost competitiveness and environment, health and safety. Being committed to drive inclusive progress and value creation for all stakeholders, the Company strives to grow sustainably in existing business, and expand into new product categories, capacities and geographies, backed by continuous enhancements in scale and quality.

Steered by its strong principles, financial strength and a robust management team, the Company sailed through the disruption caused by the global pandemic, despite the ever emerging threats and challenges, during the year. All stakeholders were efficiently managed across the entire supply chain. Endurance aims to continue to augment its core strengths to ensure continued stakeholder engagement and value delivery.

Consolidated Total Income including Other Income decreased by 5.6% to ₹ 65,777 million as compared to ₹ 69,653 million in the previous year.

Over the years, Endurance has been committed to technological development, reflected in its new product development, investments in best-in-class manufacturing, R&D and testing facilities, and 'first time right' products. Going forward, the focus is on developing innovative, lean and cost competitive designs, to maintain a technological edge across the product range. The Company's value-added portfolio includes 250cc plus motorcycle brakes and clutch assemblies, paper-based clutch assemblies replacing the cork-based clutch assemblies for motorcycles, supply of continuous variable transmission or automatic clutch for scooters, ABS for 150cc plus motorcycles, inverted front forks and adjustable rear mono-shock-absorbers for both domestic and export OEMs. Going forward, it will expand its presence in these product lines. In castings, the focus is on fully finished machined castings, as compared to raw and semi-finished castings for 2-Wheelers, 3-Wheelers and 4-Wheelers.

To aid future growth, the Company aims to supply products across all the four business segments to all OEMs, thereby increasing the content per vehicle with each of the customers. At the same time, the Company is determined to add new customers across business segments, including EVs, hybrid vehicles and aftermarket. In the aftermarket business, the Company is focussing on improving growth by introducing new products for new models, trading in 2-Wheeler and 3-Wheeler auto parts not manufactured by Endurance, expanding distribution/dealer network, increasing the rural reach in the domestic market, and entering new countries.

As part of its focus on enhancing product mix, the Company has moved into backward integration of aluminium forgings and steel braided hoses, and is also developing new generation products, such as clutch assemblies. The aim is to increase the share of business with existing customers, or serve as cost-effective import substitutes as part of backward integration. The Company also aims to increase patent applications. In Europe, the Company bagged orders of €19.3 million during FY 2020-21 from several key players of which €17 million is in the battery EV/hybrid space, which will start reflecting in sales from FY 2021-22 and will peak in FY 2023-24.

The Company is working hard towards cost optimisation and enhancing operational efficiencies, by deploying multi-pronged cost reduction strategies in manufacturing and sourcing. The incentives received by plants in Aurangabad, which are covered under the package scheme of incentives of the Maharashtra Government to be adjusted from GST, will generate extra cash flow, helping margin improvement.

The Company is actively looking at organic and inorganic opportunities in enhancing supplies to EV / hybrid vehicles, as this is expected to be the next big game changer in the automobile industry. The focus is on increasing business in high profitability segments with low competitive intensity, and having aftermarket sale of a wide range of technology-intensive auto component products.

Since mid-April 2021, there have been lockdowns again in various states, impacting domestic sales. However, the Company is taking measures on fixed cost, variable cost, raw materials cost and capex controls, with full focus on positive cash flows.

In the European business, the expansion strategy revolves around profitable growth, increased share of high margin products, winning marquee customers and exploring inorganic growth opportunities. The Company will continue to work on diversification of product technology and material solutions, increasing machining automation for high-value products and introduction of higher-tonnage PDC machines for large & complex castings. The Company is also working to get back transmissions business in the PV segment in Mexico, UK, and France, along with casting exports.

Cautionary Statement

This document contains some statements about expected future events, financial and operating results of Endurance Technologies Limited, which are forward-looking. By nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements.

BOARD'S REPORT

Dear Shareholders,

Your Directors present herewith the Twenty Second Annual Report on the business and operations of the Company together with financial statements for the financial year ended 31st March, 2021.

SUMMARISED STATEMENT OF PROFIT AND LOSS:

₹ in million

Particulars	Standalone		Consolidated	
	Financial Year 2020-21	Financial Year 2019-20	Financial Year 2020-21	Financial Year 2019-20
Revenue from operations	47,730.30	49,385.69	65,470.18	69,177.07
Other income	135.53	361.88	307.13	475.97
Total income	**47,865.83**	**49,747.57**	**65,777.31**	**69,653.04**
Raw Material Cost	29,693.55	30,473.23	35,705.58	37,352.08
Employee Benefit expenses	2,865.60	2,961.28	6,760.57	6,773.25
Finance cost	47.97	108.15	137.59	175.39
Depreciation	2,034.15	1,992.48	3,991.38	4,142.83
Other expenses	7,855.33	8,528.02	12,601.92	13,744.03
Total expenditure	**42,496.60**	**44,063.16**	**59,197.04**	**62,187.58**
Profit before exceptional items and tax	5,369.23	5,684.41	6,580.27	7,465.46
Exceptional Items	112.25	-	112.25	-
Profit before tax	**5,256.98**	**5,684.41**	**6,468.02**	**7,465.46**
Net Tax expense	1,334.99	1,407.49	1,272.33	1,810.12
Net profit for the year	**3,921.99**	**4,276.92**	**5,195.69**	**5,655.34**

DIVIDEND:

The Board of Directors, at its meeting held on 19th May, 2021, recommended a dividend of ₹ 6 per equity share of ₹ 10 each (@ 60%) (previous dividend was interim dividend of ₹ 5.50 per equity share declared in the FY 2019-20), for the financial year 2020-21, for consideration of the shareholders at the ensuing Twenty Second Annual General Meeting ("AGM").

The dividend, if approved by the shareholders, will result in an outgo of ₹ 843.98 million.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

Dividend Distribution Policy

This policy is effective from 26th August, 2016 and has been framed and adopted in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The policy, *inter alia*, lays down various parameters relating to declaration/ recommendation of dividend. There has been no change to the policy during the financial year 2020-21.

The policy is placed on the Company's website www.endurancegroup.com/investor-relations.

Amount proposed to be transferred to reserves

The Company has not transferred any amount of profits to reserves.

COMPANY'S PERFORMANCE:

During the year under review, the Company posted a total income of ₹ 47,865.83 million on a standalone basis as against ₹ 49,747.57 million in the previous year. The total income on a consolidated basis was ₹ 65,777.31 million compared to ₹ 69,653.04 million in the previous year. The Company's total income on standalone and consolidated basis de-grew by 3.8% and 5.6%, respectively. This primarily was on account of deceleration of automotive industry as a result of the nationwide lockdown since March, 2020 due to COVID-19 pandemic. The manufacturing activities and supply chain across the country were disrupted on account of such lockdowns announced to curb the spread of COVID-19. This resulted in tepid demand until almost the end of second quarter of the financial year. The demand, however, surged in the subsequent quarters achieving record sales in the last two quarters of the financial year 2020-21. Despite a challenging market environment, the Company recorded a 'better than industry' performance.

The profit after tax decreased by 8.3% in the financial year 2020-21 at ₹ 3,921.99 million as against ₹ 4,276.92 million

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in the previous year, on standalone basis, while consolidated profit after tax de-grew by 8.1% at ₹ 5,195.69 million as against ₹ 5,655.34 million in the previous year.

CONSOLIDATED FINANCIAL STATEMENTS:

As per Regulation 33 of the Listing Regulations and Section 129 of the Companies Act, 2013 ("Act") read with the rules issued thereunder, consolidated financial statements of the Company for the financial year 2020-21 have been prepared in compliance with applicable accounting standards. The audited financial statements of the Company and its subsidiaries (including step-down subsidiaries) have been approved by the Board of Directors of respective entities.

During the year under review, the Board of Directors reviewed the affairs of the subsidiary companies in accordance with Section 129(3) of the Act. Consolidated financial statements together with the statutory auditor's report thereon form part of this Annual Report.

SUBSIDIARIES:

Following corporate actions were initiated with respect to Company's subsidiaries in Italy during the financial year.

A. Acquisition of Adler SpA, Italy by Endurance Overseas Srl, Italy

Endurance Overseas Srl, Italy ("EOSrl"), a direct subsidiary of the Company, purchased controlling equity stake of 99% in Adler SpA, Italy and the name of the entity was subsequently changed to Endurance Adler SpA ("EA SpA"). The effective date of acquisition was 15th April, 2020. For details relating to assets and liabilities acquired and the purchase consideration paid by EOSrl, kindly refer note 26(c) of the consolidated financial statements.

Adler is a leader in systems solutions for clutches, gears and friction plates with niche in R&D, engineering services and product development for OEM customers in Europe. Their new product technologies and technical strength will provide an impetus to scale up technology for transmission segment. Adler has been a long term technology provider to the Company.

At the time of acquisition, EA SpA had two wholly-owned subsidiaries, *viz.* Adler RE Srl, Italy and VS San Marino Srl, San Marino.

B. Acquisition of Grimeca Srl, Italy by Endurance Adler SpA, Italy

Endurance Adler SpA, Italy ("EA SpA") acquired 100% stake in Grimeca Srl, Italy ("Grimeca") on 21st May, 2020. In addition to the stake in Grimeca's capital, EA SpA also acquired its technical know-how and intellectual property rights, and the "G Grimeca" brand. For details relating to assets and liabilities acquired and the purchase consideration paid by EA SpA, kindly refer note 26(c) of the consolidated financial statements.

Grimeca offers advanced service solutions relating to design and development of new braking products for motorcycle and light vehicles, including 'co-design' with OEM customers. Grimeca has been a technology provider for braking solutions to the Company since 2015. This strategic acquisition aims to strengthen technological prowess of the Company in the area of braking systems.

C. Merger of Adler RE Srl, Italy and Grimeca Srl, Italy with Endurance Adler SpA, Italy

The Company's two step down subsidiaries in Italy, *viz.* Adler RE Srl ("Adler RE") and Grimeca Srl ("Grimeca") merged with and into Endurance Adler SpA ("EA SpA") with effect from 1st January, 2021. EA SpA is a subsidiary of Endurance Overseas Srl, Italy (a direct subsidiary of the Company) ("EOSrl"). EOSrl holds 99% of the share capital of EA SpA. Adler RE and Grimeca were wholly owned subsidiaries of EA SpA. The merger has been done with an aim to simplify the corporate structure and to derive synergies from consolidated operations.

D. Increase in share capital of Endurance Adler SpA, Italy

The shareholders of Endurance Adler SpA, Italy in their meeting held on 26th May, 2021, have recorded their decision for increase in its paid-up share capital to Euro 840,000 from Euro 120,000. The increase in share capital is by issue of 720,000 new shares of Euro 1 each.

The Company has following subsidiaries as on the date of report:

1. Endurance Overseas Srl, Italy:

   A special purpose vehicle (SPV) and direct subsidiary of the Company located in Turin, Italy;

2. Endurance SpA, Italy:

   An operating step-down subsidiary of the Company having plants in Lombardore and Chivasso, Italy;

3. Endurance Engineering Srl, Italy:

   An operating step-down subsidiary of the Company having a plant in Turin, Italy;

4. Endurance Castings SpA, Italy:

   An operating step-down subsidiary of the Company having a plant in Bione, Italy;

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5. Endurance Adler SpA, Italy:

   An operating step-down subsidiary of the Company having a plant in Rovereto, Italy; and

6. Endurance Amann GmbH, Germany:

   An operating step-down subsidiary of the Company having plants in Massenbachhausen, Germany.

In terms of Section 129(3) of the Act, a statement in Form AOC-1, containing salient features of the financial statements of the Company's subsidiaries, forms part of the Annual Report. A copy of the audited financial statements of each of the subsidiary companies and English translation thereof will be available for inspection by any shareholder of the Company at its registered office during business hours. These financial statements are also placed on the Company's website at www.endurancegroup.com/investor-relations.

Details of the subsidiary companies and their performance are covered in the Management Discussion and Analysis Report, forming part of this Annual Report.

SHARE CAPITAL:

The paid-up equity share capital as on 31st March, 2021, was ₹ 1,406,628,480. There was no public issue, rights issue, bonus issue or preferential issue, etc., during the financial year under review. The Company has not issued shares with differential voting rights, sweat equity shares, neither has it granted any employee stock options nor issued any convertible securities.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Tribute to Late Mr. Partho Datta

Mr. Partho Datta, Non-executive Independent Director of the Company, passed away on 1st May, 2021. He was associated as an Independent Director of the Company since June, 2010. During his tenure he also served as Chairman of the Audit Committee and was also a member of the Nomination and Remuneration Committee and the Risk Management Committee of the Company.

During his tenure of close to eleven years on the Board, the Company immensely benefitted from his deep knowledge and experience of finance and accounts, business and strategy. Apart from being an active member of the Board and Committees of the Board, he helped the Company build and mature its systems and processes by actively participating in internal reviews with senior management of the Company and providing constructive feedback.

The Board acknowledges his valuable contribution and guidance in shaping governance, internal controls, and systems and processes in the organisation.

Changes in Directors

The following were the changes in the Board of Directors and Key Managerial Personnel during the year under review and till the date of this report:

(i) Mr. Naresh Chandra, resigned as Chairman and Non-executive Director of the Company with effect from 10th November, 2020;

(ii) Mr. Soumendra Basu was appointed as Chairman of the Board with effect from 10th November, 2020;

(iii) Mrs. Varsha Jain was appointed as an additional director in executive capacity for a term of five years with effect from 10th November, 2020. She was designated as Director and Head – CSR and Facility Management and being an Executive Director, she was appointed as Key Managerial Personnel of the Company from even date;

(iv) Mrs. Falguni Nayar, resigned as Non-executive and Independent Director of the Company with effect from 9th February, 2021;

(v) Mr. Indrajit Banerjee was appointed as an Additional Director (in the capacity as an Independent Director) of the Company for a term of five consecutive years with effect from 9th February, 2021;

(vi) Mr. Anurang Jain was re-appointed as Managing Director of the Company for a period of five years with effect from 1st April, 2021; and

(vii) Mr. Anant Talaulikar was appointed as an Additional Director (in the capacity as an Independent Director) of the Company for a term of five consecutive years with effect from 12th July, 2021.

Brief profile of the directors appointed/ re-appointed during the year under review and till the date of report, is given below.

Mrs. Varsha Jain

Mrs. Varsha Jain (DIN 08947297), holds more than two decades of experience in interior designing, landscaping and architecture. Mrs. Jain has been associated with the Company since May, 2015. Prior to her appointment as an executive director she held the position as an Executive Vice President - CSR and Facility Management of the Company. In her role, she exemplified her commitment towards the society by adopting villages in proximity to the Company's plants. Activities were undertaken to fulfil basic needs of hygiene, sanitation, provision of drinking water, education and community development. She also conceptualised the idea of Vocational Training Centre to provide skill-building training for gainful employment of youth.

Further, since March 2020, she has spearheaded a host of relief measures relating to COVID-19, which included distribution of food kits, donation of testing equipment to hospitals undertaking COVID-19 diagnosis and treatment, providing

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financial assistance to families in low income groups and running a COVID-19 care centre for asymptomatic patients.

As the head of Facility Management, she also oversees the civil construction in the organisation. With a wealth of experience in interior designing, she is involved in setting up and maintenance of Company's offices, gardens and guest houses. The Company has been consistently receiving awards for best gardens and plantation for the last several years for the Waluj, Aurangabad region.

Her appointment as an Executive Director has been approved by the Members through postal ballot conducted through remote e-voting, which concluded on 4th June, 2021.

Mr. Indrajit Banerjee

Mr. Indrajit Banerjee (DIN 01365405), is an Associate member of the Institute of Chartered Accountants of India. He has a career spanning around forty years with experience in finance, strategy, legal, information technology, mergers & acquisitions (M&A) and general business management functions across pharmaceutical / healthcare and hydrocarbon & metal industries. He has served as Chief Financial Officer / Executive Director in companies like Ranbaxy, Lupin, Cairn India and Indian Aluminium (Indal).

With his specialisation in finance, he has managed situations of high growth, mobilised large capital investment from global investors, implemented new-age ERP systems, made major M&A transactions, restructured complex organisations to achieve efficiency in capital usage and helped organisations achieve significant cost efficiency and productivity improvement.

He is currently engaged in pharmaceutical consultancy helping pharma operators to expand their global operations.

The Board is of the opinion that Mr. Banerjee's vast knowledge and varied experience will be of significant value to the Company and accordingly, recommended his appointment as an Independent Director of the Company, not liable to retire by rotation for a period of five consecutive years with effect from 9th February, 2021 up to and including 8th February, 2026, for approval of Members through postal ballot.

His appointment as an Independent Director has been approved by the Members through postal ballot conducted through remote e-voting, which concluded on 4th June, 2021.

Mr. Anurang Jain

Mr. Anurang Jain (DIN 00291662), promoter director has been the Managing Director of the Company since its incorporation in December, 1999. He has over three decades of experience in the automobile components industry.

He is a first generation entrepreneur with sharp business acumen, in-depth knowledge of auto industry and strong focus on profitable growth. Under his leadership, the Endurance Group has grown both organically and inorganically.

He effectively manages the multi-product portfolio of the Company comprising aluminium die-castings, suspension, braking systems and transmission components, with operations spread across eighteen plants pan India. He also oversees the operations of six subsidiaries in Europe operating through nine manufacturing facilities in Italy and Germany. The Group caters to all marquee OEM customers in the auto industry having bases in India and Europe. The Company has strong aftermarket sales services in both domestic and overseas markets.

Mr. Jain drives technological upgradation to maintain competitive edge and sustainable growth. He has been instrumental in setting up in-house Research & Development ("R&D") centres for all its product segments which are also strongly supported by inputs from global leaders through technology & know-how transfers and collaboration for joint development. These R&D centres are approved by Department of Scientific and Industrial Research (DSIR).

Appointment of Mr. Anurang Jain as Managing Director for a period of five years commencing from 1st April, 2021 has been approved by the Members through postal ballot conducted through remote e-voting, which concluded on 4th June, 2021.

Mr. Anant Talaulicar

Mr. Anant Talaulicar (DIN 00031051) has a Master's degree in Mechanical Engineering from the University of Michigan, USA and a Master's degree in Business Administration from Tulane University, Louisiana, USA. He earned his Bachelor's degree in Mechanical Engineering from Mysore University, India.

He holds more than three decades of experience serving in multifaceted leadership roles in Cummins group, both in the United States of America (USA) and in India. Having worked in the USA for sixteen years as a financial analyst, manufacturing engineer, project manager, product manager, strategy manager, he took upon various general management positions. Thereafter, he returned to India in March, 2003 as Joint Managing Director of Cummins India Limited. During his tenure with Cummins group, he has served as member of the Cummins Inc. global leadership team, Chairman & Managing Director of the Cummins Group in India, and the President of the Cummins Inc. Components Group. He has also served as the Managing Director of Tata Cummins Private Limited, a 50:50 joint venture between Cummins Inc. and Tata Motors Limited. He has chaired the boards of four other Cummins legal entities in India as well.

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Apart from the above, he also holds position as a Director on the boards of various public limited and public listed companies including as an Independent director in KPIT Technologies Limited, Everest Industries Limited, Birlasoft Limited, India Nippon Electricals Limited, The Hi-Tech Gears Limited and Force Motors Limited.

He has served as a member of the Confederation of Indian Industry (CII), Society of Indian Automobile Manufacturers (SIAM) and Automobile Components Manufacturers Association (ACMA) in the past.

The Board is of the opinion that the Company will immensely benefit from Mr. Talaulicar's vast knowledge, especially relating to auto industry and diverse experience gained from serving varied roles during his career span. He also brings on board proficiency and expertise relating to technology and research & development, strategy and planning, business management, financial acumen, governance, and human resources. Accordingly, the Board has recommended his appointment as an Independent Director of the Company, not liable to retire by rotation for a period of five consecutive years with effect from 12th July, 2021 up to and including 11th July, 2026, for approval of Members in the ensuing AGM of the Company scheduled on 25th August, 2021.

Re-appointment of Independent Director(s) for a second term

Pursuant to Section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 ("Rules"), Mr. Soumendra Basu, Mr. Roberto Testore and Ms. Anjali Seth were appointed as Independent Directors on the Board, by the Members at the Seventeenth Annual General Meeting of the Company, held on 3rd August, 2016 for a term of five consecutive years with effect from 10th June, 2016.

Based on the recommendation of the Nomination and Remuneration Committee and after taking into account the performance evaluation of these Independent Directors, the Board is of the view that their continued association as Independent Directors would be in the interest of the Company. Considering the knowledge, acumen, expertise and experience of these directors in their respective fields and the contributions made by them during their tenure as an Independent Director, the Board of Directors has appointed them for second term of five consecutive years, commencing from 10th June, 2021 up to and including 9th June, 2026.

Pursuant to Regulation 17(1A) of the Listing Regulations, the Members have also accorded consent by way of a Special Resolution for Mr. Soumendra Basu to continue as Director and Chairman on the Board of the Company, after he has attained the age of seventy five years on 19th November, 2024, during his second term of appointment. The Board recommended his continuation beyond the above-mentioned period as the Company shall immensely benefit with his continued association on account of his rich experience, multifaceted role as member of various committees of the Board and especially his guidance and support as Chairman of the Board.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Listing Regulations.

Their appointment as Independent Directors has been approved by the Members through portal ballot conducted through remote e-voting, which concluded on 4th June, 2021.

Changes in directorship owing to resignation

Mr. Naresh Chandra

Mr. Naresh Chandra resigned as Chairman and Director from the Board of the Company with effect from conclusion of the Board Meeting held on 10th November, 2020, citing reasons of his age and availability. The Board places on record its deep appreciation and gratitude for his yeomen contribution, strategic guidance and valuable advice throughout his tenure as Chairman and Non-executive Director of the Company. He had been a Chairman of the Board since the incorporation of the Company in December, 1999.

The Board also acknowledges that Mr. Naresh Chandra had played a vital role in the growth of the Company from a die-casting Company to a billion dollar "Complete Solutions" provider in its chosen product portfolio and establishing Endurance brand as a tier–I supplier in the auto component industry. The Endurance Group has immensely benefitted from his technical and managerial expertise, rich experience, business acumen and wise counsel.

Mrs. Falguni Nayar

Mrs. Falguni Nayar, Non-executive Independent Director of the Company, tendered her resignation as Director of the Company. She stepped down as a director owing to her pre-occupation and personal reasons that made it difficult to discharge her duties as a member of the Board.

BOARD'S REPORT (CONTD.)

The Board places on record its appreciation for Mrs. Nayar's participation and contribution to the effective functioning of the Board.

The composition of the Board of the Company, as on the date of report i.e. 12th July, 2021 is as follows:

Sr. No.	Name of Director	Position
1.	Mr. Soumendra Basu (DIN 01125409)	Chairman (Non-executive, Independent)
2.	Mr. Anurang Jain (DIN 00291662)	Managing Director (Executive)
3.	Mr. Roberto Testore (DIN 01935704)	Independent Director (Non-executive)
4.	Mr. Ramesh Gehaney (DIN 02697676)	Director and Chief Operating Officer (Executive)
5.	Mr. Satrajit Ray (DIN 00191467)	Director and Group Chief Financial Officer (Executive)
6.	Ms. Anjali Seth (DIN 05234352)	Independent Director (Non-executive)
7.	Mr. Massimo Venuti (DIN 06889772)	Director (Non-executive)
8.	Mrs. Varsha Jain (DIN 08947297)	Director and Head – CSR and Facility Management (Executive)
9.	Mr. Indrajit Banerjee (DIN 01365405)	Independent Director (Non-executive)
10.	Mr. Anant Talaulicar (DIN 00031051)	Independent Director (Non-executive)

Retirement of directors by rotation

In terms of Section 152(6) of the Act, Mr. Ramesh Gehaney, Director (DIN 02697676), retires by rotation at the ensuing AGM and being eligible, has offered himself for reappointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice convening the AGM.

KEY MANAGERIAL PERSONNEL:

The following officials are 'Key Managerial Personnel' of the Company in terms of the provisions of Sections 2(51) and 203 of the Act:

i. Mr. Anurang Jain, Managing Director;

ii. Mr. Ramesh Gehaney, Director and Chief Operating Officer (Whole Time Director);

iii. Mr. Satrajit Ray, Director and Group Chief Financial Officer (Chief Financial Officer);

iv. Mrs. Varsha Jain, Director and Head – CSR and Facility Management (Whole Time Director)*; and

v. Mr. Sunil Lalai, Company Secretary and Executive Vice President – Legal (Company Secretary).

** Mrs. Varsha Jain, was appointed as Executive Director, and designated as Director and Head – CSR and Facility Management, with effect from 10th November, 2020.*

Board of Directors and its Committees

During the financial year under review, the Board met four times. A detailed update on the Board, its composition and attendance of the Directors at each meeting is provided in the Corporate Governance report.

The Board has constituted six committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee and Finance Committee (a non-statutory committee). All recommendations made during the year by the Committees including the Audit Committee were accepted by the Board.

A detailed charter including terms of reference of various Board constituted Committees, number of Committee meetings held during the financial year 2020-21 and attendance of members at each meeting, forms part of the Corporate Governance report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, the Directors, based on the representation received from the management, confirm that:

i. in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed;

ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the directors have prepared the annual accounts on a going concern basis;

v. the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

BOARD'S REPORT (CONTD.)

vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS:

In terms of Section 149(7) of the Act and Regulation 16(1)(b) of the Listing Regulations, the Independent Directors of the Company have submitted their declarations confirming compliance with the criteria of independence as stipulated thereunder.

All Independent Directors of the Company have affirmed compliance with the Company's Code of Conduct for Directors and Senior Management Personnel for the financial year 2020-21.

The Board took on record declarations and confirmations submitted by the Independent Directors regarding their fulfilment of the prescribed criteria of independence, after assessing the veracity of the same as required under Regulation 25 of the Listing Regulations.

In terms of the amended Companies (Appointment and Qualification of Directors) Rules, 2014, an independent director is required to apply online to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an independent director in any company. All Independent Directors of the Company have submitted declaration of compliance in this regard.

Opinion of the Board with regard to integrity, expertise and experience (including proficiency) of the Independent Directors:

The Board is of the opinion that Independent Directors of the Company are professionally qualified and well experienced in their respective domains and meet the criteria regarding integrity, expertise, experience and proficiency. Their qualification and vast experience in varied fields helps in strengthening the Company's systems and processes to align the same with good industry practices and institutionalising tenets of corporate governance.

DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178 OF THE ACT:

The Nomination and Remuneration Policy, framed and adopted by the Board at its meeting held on 10th June, 2016, was last revised by the Board at its meeting held on 10th November, 2020. This is also placed on the Company's website at www.endurancegroup.com/investor-relations. In terms of Section 178 of the Act, the scope of the policy covers directors, key managerial personnel and senior management employees of the Company. The policy, *inter alia*, lays down the principles relating to appointment, cessation, remuneration and evaluation of directors, key managerial personnel and senior management employees of the Company.

Details of the Company's policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters as stipulated under sub-section (3) of Section 178 of the Act, adopted by the Board, forms part of the Corporate Governance report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS:

In compliance with the provisions of Section 178 of the Act, Nomination and Remuneration Policy ("NR Policy") of the Company, *inter alia*, specifies that the Board will conduct performance evaluation of the Board as a whole and its Committees and the individual Directors. Performance evaluation of Directors shall be done by the entire Board (excluding the director being evaluated). The Nomination and Remuneration Committee shall continue to be responsible for implementation of the methodology followed by the Company in this regard. The NR Policy of the Company is placed on the Company's website at www.endurancegroup.com/investor-relations.

Performance of the Board is evaluated after seeking inputs from all the directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning, its contribution in effective management of the Company, etc. Based on the assessment, observations on the performance of Board are discussed and key action areas for the Board, Committees and Directors are noted.

During the period under review, the annual performance evaluation of the Board, its Committees and individual Directors for the financial year ended 31st March, 2021 was conducted by the Board, at its meeting held on 23rd April, 2021.

Information and other details on annual performance assessment is given in the Corporate Governance report.

SECRETARIAL STANDARDS:

The Company is in compliance with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2).

INFORMATION ON BOARD MEETING PROCEDURE AND ATTENDANCE DURING THE FINANCIAL YEAR 2020-21:

Board meetings of the Company are conducted as per the provisions of the Act, the Listing Regulations and applicable

BOARD'S REPORT (CONTD.)

Secretarial Standards. In the last meeting of the calendar year, the Board decides the schedule of meetings to be held in the succeeding year.

Based on the dates of meetings decided by the Board, adequate notice is given to all directors and Committee members; an agenda with detailed notes thereon is sent at least seven days in advance of the respective meeting. The notes to agenda contain relevant information and supporting documents along with recommendation from the management, for meaningful deliberation on the agenda items. During the year under review, no meeting was held at a shorter notice.

A gist of Board and Committee meetings held during the year along with attendance record of each Director forms part of the Corporate Governance report.

AUDIT COMMITTEE:

Audit Committee of the Company is constituted in terms of Section 177 of the Act and Regulation 18 of the Listing Regulations.

As on 31st March, 2021, the Committee comprised following directors as its members:

i. Mr. Partho Datta, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

Consequent to the changes in the Board of Directors during the year under review and till the date of Board's Report, the Audit Committee was reconstituted as under:

(i) On 23rd April, 2021, Mr. Indrajit Banerjee, Non-executive Independent Director of the Company was co-opted as a member of the Committee.

(ii) Due to the sudden and sad demise of Mr. Partho Datta, Non-executive Independent Director, on 1st May, 2021, the Board at its meeting held on 19th May, 2021 appointed Mr. Indrajit Banerjee as the Chairman of this Committee.

As on the date of the report, the Audit Committee comprised following directors as its members:

i. Mr. Indrajit Banerjee, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

All of the Committee members are non-executive independent directors and are financially literate as required under Regulation 18(1)(c) of the Listing Regulations.

The Committee invites the Managing Director, the Director and Group Chief Financial Officer, the Director and Chief Operating Officer, the Statutory Auditors and the Chief Internal Auditor to attend meetings of the Committee.

Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal acts as Secretary to the Committee.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility ("CSR") Committee is constituted in compliance with Section 135 of the Act.

As on 31st March, 2021, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Soumendra Basu;

iii. Mr. Ramesh Gehaney; and

iv. Mrs. Varsha Jain *(co-opted as member of the Committee with effect from 10th November, 2020).*

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee ("RMC") is constituted in compliance with Regulation 21 of the Listing Regulations.

As on 31st March, 2021, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Partho Datta;

iii. Mr. Ramesh Gehaney; and

iv. Mr. Satrajit Ray.

On 1st May, 2021, Mr. Partho Datta, Non-executive Independent Director ceased to be a member of the RMC due to his sudden and sad demise.

On 19th May, 2021, the Board of Directors co-opted Mr. Indrajit Banerjee, Non-executive Independent Director of the Company, as a member of the RMC.

As on the date of this report, the RMC comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Indrajit Banerjee;

iii. Mr. Ramesh Gehaney; and

iv. Mr. Satrajit Ray.

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The Risk Management Policy of the Company which was framed in June, 2015 and was last reviewed and revised in August, 2020 is placed on the Company's website www.endurancegroup.com/investor-relations.

The policy lays down a framework for risk management and mitigation process commensurate with the scale and nature of the Company's business. The policy also identifies the risk categories in line with the Company's growth strategy, continuously changing business environment and legislative requirements. As per the terms of reference of RMC, it is entrusted with responsibility to review risk management framework.

The risk management framework defines thresholds against each of the identified risk events and mitigation measures to alleviate such risks. The framework is dynamic in nature and is reviewed periodically by the respective functions. The senior management team reviews the critical risk events and implements action plans to avoid recurrence of such events. A risk report is reviewed bi-annually by the RMC and the same is also placed before the Board for review and advice on critical matters.

During the year under review, both the global as well as the domestic auto industry was adversely affected by the COVID-19 pandemic leading to demand depression and unemployment. In order to alleviate the unprecedented risk posed to its functioning and growth, the Company took immediate steps to align its strategy by undertaking several pre-emptive cost optimisation initiatives.

The risk management framework was, accordingly, revised to capture the risks encountered and envisaged due to disruption of operations and normal business activities on account of such event based risks.

CREDIT RATING:

During the year under review, ICRA Limited a credit rating agency registered with SEBI had reaffirmed the long term rating of ICRA AA+ (Stable) and ICRA A1+ for short term rating. CRISIL Ratings Limited (a subsidiary of CRISIL Limited), a credit rating agency registered with the SEBI, has upgraded the long-term rating for bank credit facilities and reaffirmed the short-term rating for bank credit facilities / Commercial Papers as CRISIL AA+/Stable and CRISIL A1+, respectively.

INTERNAL FINANCIAL CONTROLS:

In terms of Section 134(5)(e) of the Act, the term Internal Financial Control means the policies and procedures adopted by a company for ensuring orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Company has adequate Internal Financial Control system in the form of policies and procedures. It follows a structured mechanism of function-specific reviews and risk reporting by senior management of the Company and critical matters are brought to the attention of the Audit Committee and the Board. Further, internal Standard Operating Procedures (SOPs) and Schedule of Authority (SOA) are well defined and documented to provide clear guidance to ensure that all financial transactions are authorised, recorded and reported correctly.

In order to record day-to-day financial transactions and ensure accuracy in reporting thereof, the Company uses an established Enterprise Resource Planning (ERP) system. Adequate controls and checks are built in the ERP system to integrate the underlying books of account and prevent any kind of control failure. Mapping of policies and procedures including SOPs and SOA is done through ERP and audit of these processes forms part of the work scope of both internal and statutory auditors of the Company.

The Company has an in-house Internal Audit (IA) team lead by Chief Internal Auditor. The Chief Internal Auditor who is responsible for leading the IA department, functionally reports to the Audit Committee and administratively reports to Managing Director. The scope of work, accountability, responsibility, reporting and authority of the IA department is defined in the Internal Audit Charter which is reviewed by the Audit Committee, annually.

The IA team draws up an internal audit plan in advance for a financial year, which is approved by the Audit Committee and progress thereof is reviewed by the Committee at its quarterly meetings. In order to ensure objectivity and independence of the audit mechanism, internal audit activities for certain plants are outsourced. The IA team conducts audits of plants and corporate functions, specifically emphasising on statutory compliance, covering adherence to SOPs, controls and internal guidelines issued by the management. Implementation of the audit recommendations are monitored by the IA team.

Report on audit findings and corrective measures taken by the respective process owners, is reviewed periodically by the senior management team of the Company comprising the Managing Director, the Director and Group Chief Financial Officer and the Director and Chief Operating Officer. Significant observations and status of implementation of recommendations of the IA team are presented to the Audit Committee. The Committee reviews the report and advises on improving the systems and processes, where necessary.

BOARD'S REPORT (CONTD.)

The Company's internal control mechanism is commensurate with the scale of its operations thereby ensuring compliance with the Act and the Listing Regulations.

CORPORATE GOVERNANCE:

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the statutory auditors towards compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report.

The Managing Director and the Director and Group Chief Financial Officer have certified to the Board with regard to financial statements and other matters as required under Regulation 17(8) read with Schedule II to the Listing Regulations.

BUSINESS RESPONSIBILITY REPORT:

In terms of Regulation 34(2) of the Listing Regulations, a Business Responsibility Report for the financial year 2020-21 forms part of this Annual Report.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

The Company has adopted a 'Code of Conduct for Prevention of Insider Trading' ("PIT Code") in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, ("PIT Regulations"). Further, the Company has also adopted a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("UPSI Code").

The PIT Code and UPSI Code are drawn up on the principle that the Company's directors and employees owe a fiduciary duty, amongst others, to the shareholders of the Company to place the interest of shareholders above their own and conduct their personal securities' transactions in a manner that does not give rise to any conflict of interest.

The PIT Code lays down guidelines for 'designated persons' on the procedures to be followed and disclosures to be made while dealing in securities of the Company and also stipulates the consequences of non-compliances or leak of confidential price sensitive information. The PIT Code was last revised by the Board of Directors at its meeting held on 23rd April, 2021 to align the disclosure formats with those notified in the SEBI Circular bearing reference no. SEBI/ HO/ ISD/ ISD/ CIR/ P/2021/19 dated 9th February, 2021.

The UPSI Code documents the manner of disseminating Unpublished Price Sensitive Information (UPSI) for making it accessible to the public on non-discriminatory basis.

Any information is determined to be UPSI, based on the principles enumerated in the Company's Policy on Determination of Materiality of Event / Information.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure I.**

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

In terms of Section 135 of the Act read with Schedule VII to the Act and Company's Corporate Social Responsibility ("CSR") Policy, the Company has undertaken CSR projects under the aegis of Sevak Trust, with whom it has been associated for more than a decade. The CSR projects and programmes recommended by the CSR Committee and approved by the Board are aimed towards enhancing employability by imparting skill-building vocational training to unemployed youth and undertake developmental activities in villages to improve living standards and welfare through education, promoting health & hygiene, educating on agriculture oriented initiatives and means of livelihood, providing community facilities and the like. As part of its CSR initiatives, the Company has also undertaken the responsibility of upgrading the Sevak Trust *Balwadi*. This *Balwadi*, located in Waluj, Aurangabad, provides pre-primary education to children from economically weaker sections of the society. Apart from the above, the Committee also approved certain micro projects for cleanliness of drains and providing safe drinking water by installation of reverse osmosis (RO) plants.

Salient features of CSR Policy, are available on Company's website at www.endurancegroup.com. The Annual Report on CSR activities is attached as **Annexure II** to this Report.

In terms of Section 135 of the Act read with Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2015, the Director and Group Chief Financial Officer of the Company has provided requisite certificate that the funds disbursed by the Company to Sevak Trust and for other CSR activities during the financial year 2020-21 have been utilised for the respective purposes and in the manner as approved by Board.

EXPENDITURE TOWARDS CSR ACTIVITIES

As per the requirements under the Act, the Company earmarked an amount of ₹ 103.97 million calculated based on the average net profit before tax of the immediate preceding three financial years. Accordingly, a budget of ₹ 110 million was approved for expenditure towards CSR activities, which included the contribution of ₹ 50 million made by the Company to the PM CARES Fund on 31st March, 2020, and was eligible for set off against the CSR expenditure for

BOARD'S REPORT (CONTD.)

financial year 2020-21. Based thereon, an outlay of ₹ 60 million for CSR projects / programmes was approved by the Board for financial year 2020-21, at its meeting held on 25th June, 2020.

The Board of Directors have approved following projects / programmes, which were as per Schedule VII to the Act and CSR Policy of the Company:

1. Village Development Project ("VDP");
2. Setting up and running of Vocational Training Centre ("VTC");
3. Running of Sevak Trust *Balwadi* ("*Balwadi*");
4. Relief measures relating to COVID-19 pandemic; and
5. Donation to Bharat Sevashram Sangha.

The total amount spent by the Company, during the financial year 2020-21 towards approved CSR projects and programmes was ₹ 61.46 million, which included "Administrative Overheads", as against the budget of ₹ 60 million earmarked towards CSR expenses.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

During the year under review, no instances of fraud have been reported under Section 143(12) of the Act.

AUDITORS:

Statutory Auditor

The Members of the Company at their Eighteenth AGM (Annual General Meeting) had approved appointment of M/s. S R B C & CO. LLP (ICAI Firm Registration No. 324982E/ E300003) as Statutory Auditors of the Company from the conclusion of Eighteenth AGM till the conclusion of Twenty third AGM of the Company.

The Statutory Auditors of the Company have issued an unmodified opinion on the financial statements, both standalone and consolidated for the financial year ended 31st March, 2021. The said Auditors' Report(s) for the financial year ended 31st March, 2021 on the financial statements of the Company forms part of this Annual Report.

Cost Auditor

As per the provisions of Section 148 of the Act and Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records with respect to the manufacturing activities, *viz.* manufacturing of engine components, manufacturing of dies and moulds, and generation of electricity through windmill, and get the same audited.

Based on the recommendation of the Audit Committee, the Board has appointed Mr. Jayant B. Galande, Cost Accountant (Membership No. M-5255) as Cost Auditor of the Company for the financial year 2021-22. The remuneration proposed is ₹ 400,000 and is subject to ratification by the shareholders at the ensuing AGM. The said remuneration is excluding applicable taxes and out-of-pocket expenses, if any, payable at actuals.

Secretarial Auditor

In terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Mr. Sachin Bhagwat (Membership No. A10189, CP No. 6029) Practicing Company Secretary, to conduct an audit of the secretarial records for the financial year 2020-21.

The Secretarial Audit report for the financial year 2020-21 is set out as **Annexure III** to this report. The said report does not contain any qualification, reservation or adverse remark.

DISCLOSURES:

Policies of the Company

The Listing Regulations mandate formulation of certain policies for listed companies. Accordingly, the Board of Directors has, from time to time, framed and approved policies as required under the Listing Regulations as well as under the Act.

Listed below are certain key policies that have been framed by the Company:

Sr. No.	Name of Policy
1.	Nomination and Remuneration Policy
2.	Corporate Social Responsibility Policy
3.	Dividend Distribution Policy
4.	Whistle Blower Policy
5.	Risk Management Policy
6.	Code of Conduct for Prevention of Insider Trading
7.	Code of Conduct for Directors and Senior Management Personnel
8.	Code of Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information
9.	Policy for determination of Materiality of Subsidiaries
10.	Policy for Determination of Materiality of and Dealing with Related Party Transactions
11.	Policy for Determination of Materiality of Events/ Information
12.	Policy for Preservation of Documents
13.	Archival Policy for disclosures to Stock Exchanges

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The above-mentioned policies are available on the Company's website at the link www.endurancegroup.com/investor-relations.

These policies are periodically reviewed by the Committees responsible therefor and changes, if any, are recommended to the Board for approval. Changes to the policies also factor amendments in statutes or governing regulations. During the period from 1st April, 2020, till the date of report, the following policies were revised:

Sr. No.	Name of Policy	Revised effective
1.	Nomination and Remuneration Policy	25th June, 2020
2.	Policy for Determination of Materiality of Event / Information	
3.	Policy for preservation of documents	
4.	Archival Policy for Disclosures to Stock Exchanges	
5.	Risk Management Policy	13th August, 2020
6.	Fraud Prevention and Detection Policy	
7.	Code of Conduct for Prevention of Insider Trading	
8.	Policy for preservation of documents	10th November, 2020
9.	Code of Conduct for Directors and Senior Management Personnel	
10.	Whistle Blower Policy	
11.	Nomination and Remuneration Policy	
12.	Corporate Social Responsibility Policy	23rd April, 2021
13.	Code of Conduct for Prevention of Insider Trading	

Based on the recommendation of Nomination and Remuneration Committee, the Nomination and Remuneration ("NR") Policy was revised by the Board, at its meetings held on 25th June, 2020 and 10th November, 2020. The changes primarily related to payment of remuneration to Independent Directors and the process of performance evaluation being conducted by the Board, and to include reference of the Company's Code of Conduct for Directors and Senior Management Personnel. Accordingly, the policy document was modified to:

i. include identification of attributes and domain experience to be assessed while appointing a new Director on the Board; and

ii. align the policy document with the new Code of Conduct for Directors and Senior Management Personnel adopted by the Board, at its meeting held on 10th November, 2020.

Pursuant to the amendments notified vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22nd January, 2021 ("CSR Amendment Rules") and based on the recommendation made by the Corporate Social Responsibility ("CSR") Committee at its meeting held on 8th March, 2021, the Board of Directors, at its meeting held on 23rd April, 2021, approved the revised CSR Policy of the Company. The revisions to the CSR Policy are made to align the same with the provisions of CSR Amendment Rules. Kindly refer **Annexure II** for salient features of the CSR Policy enumerated in the Annual Report on Corporate Social Responsibility Activities.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosure of remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as **Annexure IV**.

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate annexure forming part of this Report. In terms of Section 136 of the Act, the Annual Report and financial statements are being sent to the shareholders excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during business hours and will be made available to any shareholder on request.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not advanced any loans or given guarantees covered under the provisions of Section 186 of the Act. Particulars of investments form part of the notes to financial statements. Kindly refer notes no. 4, 4A and 4B of the standalone financial statements for the details of investments made by the Company as on 31st March, 2021.

FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

In terms of the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a vigil

BOARD'S REPORT (CONTD.)

mechanism (which forms part of the Whistle Blower policy in terms of Regulation 22 of the Listing Regulations) for Directors and employees to report their genuine concerns. The objective of this policy is to create a window for any person who observes any unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct for Directors and Senior Management Personnel and Endurance Code of Conduct for Employees ("Codes of Conduct") and to report the same to the Ombudsman appointed under the same policy. The said policy also encompasses reporting of instances of leak of Unpublished Price Sensitive Information (UPSI).

Protected disclosures can be made by a whistle blower to the dedicated e-mail ID and/ or postal address of Ombudsman, appointed under the policy. The policy has been hosted on the Company's website at www.endurancegroup.com/investor-relations.

An Ombudsman has been appointed in terms of the provisions of the Act to independently investigate protected disclosures communicated under the policy and matters of violation to the Codes of Conduct.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH, 2021 AND DATE OF BOARD'S REPORT:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this Report.

RELATED PARTY TRANSACTIONS:

As per the Listing Regulations, all Related Party Transactions ("RPT") and any modifications thereto are placed before the Audit Committee for approval. Further, the Audit Committee accords specific / omnibus approval for RPTs which are in ordinary course of business and satisfy the principles / conditions of being at arm's length basis. The Audit Committee reviews, on a quarterly basis, the details of the RPTs entered pursuant to the aforementioned omnibus approval.

Particulars of RPTs entered during the year 2020-21

During the year under review, appointment of Ms. Rhea Jain, Vice President – HR and Strategic Projects to office or place of profit in terms of Section 188(1) of the Act was approved by the Members in the Twenty First AGM of the Company held on Wednesday, 23rd September, 2020. Ms. Jain is daughter of Mr. Anurang Jain, Managing Director of the Company and is, therefore, a related party in terms of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations.

In terms of Section 188(1)(f) of the Act read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Board of Directors, on the recommendation of the Audit Committee and Nomination and Remuneration Committee, had approved appointment of Ms. Jain, Vice President - HR and Strategic Projects at a gross annual remuneration of ₹ 4.5 million, effective 1st April, 2020.

Justification for entering into such RPT

The remuneration proposed for Ms. Jain is commensurate with her role and responsibility as part of the senior management team handling human resource function and strategic projects undertaken for organic and inorganic growth of the Company. This progression in the management cadre is also a part of succession planning.

During the financial year, the Company did not enter into any contract/ arrangement/ transaction with related parties which could be considered material for which shareholders' approval is required in accordance with Section 188 of the Act and the Policy on Determining Materiality of and Dealing with Related Party Transaction ("RPT Policy").

Accordingly, there is no information to be disclosed in Form AOC-2, while the particulars of all RPTs in terms of Indian Accounting Standard (Ind AS) – 24 are forming part of the financial statements.

The RPT Policy of the Company, as approved by the Board, can be accessed on the Company's website at www.endurancegroup.com/investor-relations.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

There were no significant material orders passed by Regulators /Courts which would impact the going concern status of the Company and its future operations.

ANNUAL RETURN:

In terms of Section 92(3) of the Act, the annual return of the Company for the financial year ended 31st March, 2021 shall be available on the Company's website: www.endurancegroup.com/investor-relations.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted a "Policy on Safety & Security and Prevention of Sexual Harassment of Women Employees" ("POSH Policy") in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The POSH Policy aims to provide a safe, friendly, positive and productive working environment and promote an atmosphere in which employees can realise their maximum potential. The policy applies to all permanent and temporary employees and also to workforce engaged by the Company through contractors.

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The Company observes zero tolerance towards any kind of violation of the aforementioned POSH Policy. As per POSH Policy, the Company has constituted Internal Committees ("IC") for all its locations which are chaired by a female employee and senior management officials of the Company are its members along with representative of non-government organisation / association committed to the cause of women or a person familiar with the issues relating to sexual harassment. The IC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the POSH Policy.

During the year under review, five complaints were received by the IC under the POSH Policy and all of them were satisfactorily resolved.

INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remained cordial.

The Company entered into wage agreement on 24th January, 2021 with All Marathwada Kamgar Union for the plant located at E-92 and 93, MIDC Industrial Area, Waluj, Aurangabad – 431 136. New wage settlement Memorandum of Understanding ("MOU") is effective from 1st January, 2021 to 31st December, 2024.

As on the date of report, the Company has twelve agreements entered into with labour unions for the Company's plants located at Waluj (Aurangabad, Maharashtra), Chakan (Dist. Pune, Maharashtra) and Pantnagar (Uttarakhand).

INVESTOR EDUCATION AND PROTECTION FUND:

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company that remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by such company to the Investor Education and Protection Fund ("IEPF").

In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the year ended 31st March, 2021.

The Company has uploaded details of unpaid and unclaimed dividend amounts lying with the Company as on 6th July, 2020, on the Company's website www.endurancegroup.com/investor-relations and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

The following table provides dates on which unclaimed dividend would become due to be transferred to the IEPF:

Financial Year	Date of declaration of dividend/ interim dividend	Amount of unpaid dividend as on 31st March, 2021 (in ₹)	Due date for transfer to IEPF
2016-17	28th July, 2017	47,707.50	31st August, 2024
2017-18	6th September, 2018	41,832.00	11th October, 2025
2018-19	8th August, 2019	45,749.00	12th September, 2026
2019-20	3rd March, 2020	123,183.50	7th April, 2027

ACKNOWLEDGMENTS:

Your Directors take this opportunity to express their sincere appreciation towards the commitment, hard work and support of all its employees and workmen during the year especially during this challenging and difficult times of unprecedented pandemic.

The Directors also express gratitude to the shareholders, workmen unions, customers, vendors, dealers, bankers, government authorities of India and other countries where the Company operates and all other business associates for their continued support extended to the Company and for reposing their confidence in the management. The management looks forward to their continued support in future.

For and on behalf of the Board

Soumendra Basu
Chairman
DIN 01125409

Date: 12th July, 2021

ANNEXURE I TO BOARD'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY:

During the year under review, the windmills installed by the Company at Jaisalmer, Satara and Supa, generated 4,528,444 units of electricity (including 3,616,144 units of captive consumption). The Company earned an income of ₹ 30.60 million (including captive consumption ₹ 25.39 million) from generation of wind power.

Your Company continues to undertake focused energy conservation initiatives.

(i) Energy conservation measures taken

Following measures were taken to reduce power consumption:

a. Reduced Transformer Cupper losses by installation of new transformer with 50 ~ 60% load as its rated capacity.

b. Installation of magnetic resonators in the powder coating oven.

c. Revising the layout of high pressure die casting (HPDC) machines and melting furnace for optimum utilisation of cooling tower and chimney along with its 50 HP scrubber.

d. Use of multi speed function of drive in more power consuming motor.

e. Installation of variable-frequency drive (VFD) to reduce / control the speed and torque of hydraulic motor.

f. Replaced diesel burner with gas burner in select plant(s).

g. Installation of digital thyristor controllers for heating of plating plant chemical tank.

h. Reuse of air compressor heat by rerouting and heat energy utilisation for hot air blower systems for gluing machines.

i. Installation of energy efficient motors and pumps for main water pump, cooling tower and dust collection systems, powder coating booths, air circulation motors, pre-treatment lines and degreasing tank circulation pumps.

j. Installation of auto shut-off timers for lighting systems of offices/ washrooms / meeting rooms; auto shut-off valves for air flow and airlines for assembly shops, timer based controllers for auto shut-off of hydraulic power packs 'switch on & off' systems.

k. Installation of motor sensor at rectifier area and interlocking of lights.

l. Modified the pipeline connected to the pipe grinding machine coolant return, resulting in reduction of energy requirement.

m. Continue to focus on reducing energy consumption by optimising processes such as running of cooling fan, reducing sludge running time by providing a sensor, reducing hydraulic motor run time on GDC machine, arresting of air leakages in compressed air header lines.

n. Installation of auto changeover for air compressor as per shop floor's compressed air demand.

o. Use of fuel catalyst on melting furnace to improve efficiency of furnace oil and Piped Natural Gas (PNG).

Impact

These initiatives have resulted into saving of ₹ 25.16 million on account of reduced electricity consumption.

Steps taken by the Company for utilising alternate sources of energy

With a view to promote use of renewable energy for its plant operations, the Company has undertaken the project of installing solar panels on roof tops of factory buildings and terrace areas of offices, wherever available, for ensuring maximum exposure of the panels to solar radiation. The installed capacity of solar panels installed during the financial year 2020-21 is 1.709 MW. This project has generated electricity equivalent of 1.78 lakh KWh.

(ii) Capital investment on energy conservation equipment

The capital investment made by the Company during the financial year 2020-21 on energy conservation equipment was ₹ 38.14 million.

B. TECHNOLOGY ABSORPTION:

Research & Development

The Company believes that a strong Research and Development ("R&D") base is necessary for profitable sustenance of its business and in ensuring customer satisfaction. In addition to being an 'end-to-end' solutions provider, the focus is also to develop and offer 'first time right' products to its customers. Towards this, the R&D team cohesively engages with the product development team of the OEM customers to understand their requirements

ANNEXURE I TO BOARD'S REPORT (CONTD.)

and offer technologically upgraded products delivering performance in line with customers' expectations.

The Company has four R&D Centres approved by the Department of Scientific and Industrial Research (DSIR) for each of its product categories. A workforce of 186 professionals is deployed to develop new products and improvise the existing product range to offer technologically upgraded solutions to its customers. In order to further strengthen its R&D capabilities, the Company has been consistently investing in technically advanced testing equipment and engineering software at its R&D centres.

Intellectual Property (IP)

The Company believes in continuous innovation as it strives to offer products with latest technology. Towards this, the Company's in-house R&D team constantly endeavours to improvise its products based on the requirements of its customers and end-users/ consumers. The Company has also partnered with leading manufacturers/ technology partners worldwide to develop new products and enhance its technological capabilities.

During the year under review and till the date of the report, the Company was granted nine patents, five for transmission (clutches) four for suspension. As on the date of report, the Company has nineteen patents granted and fourteen designs registered. The Company also filed fifteen applications for grant of patents, taking the total number of patents applications to seventy. During the year the Company has filed eleven applications for new design registrations.

In furtherance to one of its corporate values – Innovation, the Company conducts Ideafest event which promotes generation of ideas across all its functions. Suggestions received are evaluated and those resulting into improvement in product performance, processes, safety or cost optimisation, are rewarded and implemented.

Advanced Engineering

Advanced Engineering Group ("AEG") supports in areas of Computer Aided Engineering ("CAE")/ Virtual validation, Experimental Data Analysis ("EDA"), Failure Analysis, Material Analysis and establishing effective Product Lifecycle Management ("PLM") systems, etc.

During the previous year AEG continued to focus on ensuring 'first time right' and lean products, both in terms of cost and weight. Simultaneously, PLM systems were strengthened to streamline the New Product Development ("NPD") process along with enhanced information security and data confidentiality.

During the year under review, focus of CAE and EDA was to generate useful design inputs with the help of newly built Endurance Proving Ground ("EPG"), having state-of-the-art eight test tracks in combination with its existing simulation software and data acquisition systems, for evaluation of two and three wheeled vehicles.

Further, during the financial year, AEG continued to develop expertise in the area of mathematical modelling and simulation for Electro-Mechanical Systems.

Specific areas in which R&D was carried out

I. R&D Centre at B-1/3, Chakan (Die Casting Components):

i. Continued focus on 'First Time Right' products helped to achieve defect-free components in the initial trials itself.

ii. Developed structural Aluminium die casting components.

iii. Leveraged collaboration between the Company and its subsidiaries for structural casting analysis as well as for developing overseas dies in India. The Company's structural analysis capabilities were well appreciated by one of the overseas subsidiary company's customers.

iv. Continued to provide technical expertise to reduce in-house rejection.

v. New casting technologies like jet cooling, partial squeeze and vacuum assist were effectively used in improving quality of casting components.

II. R&D Centre at K-226/2, Waluj, Aurangabad (Braking Systems):

i. Successfully developed and productionised Dual channel Combined Braking System ("CBS") with three piston caliper.

ii. Developed Disc Type CBS for application in both scooters and motorcycles. Disc type CBS is also used in electric scooters.

iii. The Company has its own software for brake performance prediction. During the year, the software's capability was further

ANNEXURE I TO BOARD'S REPORT (CONTD.)

enhanced to predict brake performance for CBS application.

iv. Developed ABS modulator in technical collaboration with a global leader in ABS technology.

v. The Company has designed a new concept of high performance and ABS compatible port-less master cylinder. The Company has applied for patent on successful evaluation of this design.

vi. With the acquisition of Grimeca Srl ("Grimeca") in May, 2020 by a step-down subsidiary in the Group, the Company will be able to leverage the braking technology of Grimeca to develop new generation braking systems (Caliper and Master cylinder) with improved performance, various improved Brake Pad materials and strength for application in high-end motorcycles with displacement of 200 cc and above.

vii. With use of ABS on vehicle, the fluid transmission lines have become longer, thus posing challenge for designer to maintain same brake response subjective feel. The Company has invested in design and manufacturing of compound rubber hoses comprising steel tubes and rubber tubes, and steel / wire braided hoses. The Company has developed local vendors in India and started integration of hoses in-house, which are comparatively cost effective as compared to imported wire braided hoses, sourced earlier by the Company.

viii. The Company successfully developed master cylinder reservoir with oil level indicator and its integration with threaded reservoir cap for three wheeler braking systems to meet new regulatory requirements which were mandated from April, 2020.

ix. Braking Systems developed for new customer for application in electric three wheeler, which match with the requirements / specifications as per the regulatory requirements mandated with effect from April, 2020.

III. R&D Centre at K-226/1, Waluj, Aurangabad

(Transmission components):

i. Introduction of APTC design to Indian market for motorcycles with displacement above 200cc. These clutch designs are of two types:

a. APTC EVO – It is an Assist and Slip (A&S) clutch which offers numerous advantages on subjective and objective performance parameters as against competition.

b. APTC Plus – This design is A&S clutch with automatic clutch engagement. The same can be used in semi-automatic and automatic mode. With quick-shift mechanism on the motorcycles, the same design replaces a dual clutch design with better performance at a significantly reduced price.

ii. Developed cost effective and environment friendly paper friction plates. Further, finalised the collaborator for friction paper technology.

iii. Engaged with ARAI (Automotive Research Association of India, Pune) for Electric Powertrain development project.

IV. R&D Centre at E-93, Waluj, Aurangabad

(Suspension components):

i. Major investments made in setting up of own 'Test Track/ Proving ground' have been helping to study and evaluate our suspension, brakes & transmission product behavior upon application on vehicles in simulated road conditions. This is one more step towards 'Complete Solution' provider. Proving ground is fully operational.

ii. Successfully productionised the Φ37 upside down front fork design series to existing customers.

iii. Successfully expanded Φ43 upside down front fork design series to existing customers.

iv. Design and development of the new design series of Φ41 upside down front fork and Φ36 mono tube shock absorber with floating piston completed.

v. Successfully absorbed the following technologies from our technology partner:

a. Five click adjustable damping in upside down front fork with cartridge;

b. Five click adjustable damping in monotube with floating piston; and

c. Hydraulic preload adjuster on a monotube shock absorber.

vi. One servo hydraulic actuator and two new spring stroking durability machines are added

ANNEXURE I TO BOARD'S REPORT (CONTD.)

to augment the product reliability testing capacity further to supplement faster NPD.

vii. Various new products and 'buy me' products were developed for Aftermarket to expand existing product range and presence in domestic as well as export market.

viii. Ride tuning van is being used by our customers for suspension tuning. Ride tuning van helps in reducing NPD lead time by enabling multiple ride tuning iterations in one go.

ix. Various Value Analysis / Value Engineering ("VA/VE") ideas were proposed to different customers in order to ensure cost competitiveness.

x. Noise measurement facility has been fully utilised to address noise complaints in suspension components *viz.* front forks and shock absorbers.

xi. Multiple product life improvement ideas initiated and implemented for regular front forks, hydraulic and monotube shock absorbers.

xii. Data acquisition and analysis capability is being used extensively in real time monitoring during structural durability testing.

xiii. Developed capabilities for electronically adjusted suspension components.

Benefits derived as a result of above R&D activities:

1. Expansion of product portfolio for existing OEM customers.
2. Improvement in product quality, performance, reliability and safety.
3. Reduction in product cost through various VA/VE ideas to gain competitive edge.
4. Reduction in cycle time of process and increase in productivity.
5. Minimize product development time with the help of new testing facilities and advance analytical capabilities.
6. Enhanced customer delight and confidence.

Information regarding imported technology (imported during the last three years)

Year of import	Technology from	Details of technology imported	Status
2015	KTM Components GmbH, Austria	Suspension components having either of the following product technologies: 1. Separation Piston for manufacture of mono shock absorbers; 2. Piggy back suspension system; and 3. Any other technology, as mutually agreed.	Under absorption
2017	Leading Global Suspension and Brakes Company	Technology for joint development of anti-lock braking systems for application in two and three wheelers.	Under absorption
2019	European technology provider in Aluminium Forgings	Technical support related to aluminium forging technology	Under absorption

Expenditure incurred on R & D

₹ in million

Sr. No.	Particulars of expenditure	2020-21	2019-20
I	Capital including technical know-how	83.20	133.37
II	Recurring	370.23	425.77
Total		**453.43**	**629.35**
Total research and development expenditure as a percentage of net revenue (without taxes).		0.95%	1.16%

ANNEXURE I TO BOARD'S REPORT (CONTD.)

C. Foreign Exchange Earnings and Outgo:

During the year under review, the Company made export of automotive components to OEMs in European countries. The exports of spare parts in aftermarket were made to countries in Latin America, Middle East, Asia and Africa.

Total foreign exchange earnings and outgo are given below:

₹ in million

Particulars	Amount
Earnings in foreign exchange	1,140.54
Foreign exchange outgo	2,792.34

For and on behalf of the Board

Soumendra Basu
Chairman
DIN 01125409

Date: 12th July, 2021

ANNEXURE II TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A Brief outline on the CSR Policy of the Company

Corporate Social Responsibility Policy ("CSR Policy") of the Company was approved and adopted by the Board of Directors at its meeting held on 6th June, 2014. Pursuant to the amendments notified vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22nd January, 2021 and based on the recommendation made by the Corporate Social Responsibility ("CSR") Committee at its meeting held on 8th March, 2021, revision to the CSR Policy was approved by the Board of Directors at its meeting held on 23rd April, 2021.

Salient features of the CSR Policy of the Company are as follows:

i. It lays down the philosophy and vision of the Company which serve as guiding principles to drive the objective of CSR, in both letter and spirit, as enumerated in the CSR policy.

ii. The approach and direction of the CSR initiatives are inclusive and has focused approach towards Environmental, Progressive, Cultural and Developmental activities.

iii. It defines the areas in which the Company can undertake CSR projects and programmes and is aligned to Schedule VII to the Companies Act, 2013 ("Act").

iv. The CSR initiatives/ activities are divided into four categories based on duration of projects/ programmes identified, which are - one-time activities, short-term projects, long-term projects and ongoing projects.

v. The mechanism defined for implementation of CSR projects/ programmes encompasses all the activities/ stages from the identification of CSR initiative to monitoring thereof as per annual action plan of respective project, approved by the Board based on the recommendation of the CSR Committee.

vi. There is a separate section in the CSR Policy on 'CSR Governance'. The said section elaborates on a three-tier structure for fulfilment of CSR obligations of the Company as stipulated under the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended. This three-tier structure comprises the roles and responsibility of the:

a. CSR function;

b. CSR Committee; and

c. Board of Directors

of the Company.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1)	Mr. Anurang Jain, Chairman	Managing Director / Executive Director	3	3
2)	Mr. Soumendra Basu, Member	Independent Director/ Non- executive Director	3	3
3)	Mr. Ramesh Gehaney	Director and Chief Operating Officer/ Executive Director	3	3
4)	Mrs. Varsha Jain*	Director and Head – CSR and Facility Management/ Executive Director	3	1

** Mrs. Varsha Jain was co-opted as member of the CSR Committee by the Board of Directors, at its Meeting held on 10th November, 2020.*

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board is disclosed on the website of the Company.

The Composition of CSR Committee and CSR Policy are available on the link https://endurancegroup.com/investor-relations; and details on CSR projects and programmes are given under the link - https://endurancegroup.com/sustainability.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate

ANNEXURE II TO BOARD'S REPORT (CONTD.)

Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any

₹ in million

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1.	2020-21	50.00	7.49

Note:

₹ 50 million were contributed by the Company to the PM CARES Fund on 31st March, 2020 pursuant to the appeal of even date made by the Secretary of Ministry of Corporate Affairs.

6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013

   The average net profit of the Company as per Section 135(5) for the financial years 2017-18, 2018-19 and 2019-20 is ₹ 5,198.55 million.

7. (a) Two percent of average net profit before tax of the Company as per Section 135(5): ₹ 103.97 million

   (b) Surplus arising out of the CSR projects/ programmes or activities for the financial year: NIL

   (c) Amount required to be set-off for the financial year, if any: ₹ 50 million

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 53.97 million

8. (a) CSR amount spent / unspent for the financial year:

Total Amount Spent for the Financial Year 2020-21 (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
₹ 110 million (includes ₹ 50 million contributed to PM CARES Fund on 31st March, 2020)	NIL		NIL		

ANNEXURE II TO BOARD'S REPORT (CONTD.)

a) Details of CSR amount spent against 'ongoing projects' for the financial year: 2020-21

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No)	Location of the Project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the Current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
										Name	CSR Registration number
Not Applicable. There were no 'Ongoing Projects' during the financial year 2020-21											

b) Details of CSR amount spent against 'other than ongoing projects' for the financial year: 2020-21

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Companies Act, 2013	Local Area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹ million)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Village Development project (VDP)	(i) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation including contribution to the Swach Bharat Kosh setup by the Central Government for the promotion of sanitation and making available safe drinking water. (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups. (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga. (x) Rural development projects	Yes	Maharashtra	Aurangabad	21.70	No	Sevak Trust	CSR00004059

ANNEXURE II TO BOARD'S REPORT (CONTD.)

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Companies Act, 2013	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹ million)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
2	Vocational Training Centre (VTC)	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Aurangabad	27.79	No	Sevak Trust	CSR00004059
3	*Balwadi*	(x) Rural development projects.	Yes	Maharashtra	Aurangabad	0.12	No	Sevak Trust	CSR00004059
4	Relief measures relating to COVID-19 Pandemic	(xii) Disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Maharashtra	Aurangabad	9.39	No	Sevak Trust	CSR00004059
5	Donation to Bharat Sevashram Sangha		No	West Bengal	Hingalganj	1.00	No	Sevak Trust	CSR00004059
	Total					**60.00**			

c) Amount spent in Administrative Overheads: **₹ 1.46 million**

d) Amount spent on Impact Assessment, if applicable: **Not Applicable**

e) Total Amount spent for the Financial Year (8b+8c+8d): **₹ 61.46 million**

f) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹ million)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	103.97
(ii)	Total amount spent for the financial year 2020-21	111.46
(iii)	Excess amount spent for the financial year [(ii)-(i)]	7.49
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	7.49

ANNEXURE II TO BOARD'S REPORT (CONTD.)

9. (a) Details of unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) of the Act (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount (in ₹)	Date of Transfer	
Not Applicable							

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount Spent in the reporting financial year(in ₹)	Cumulative Amount Spent at the end of financial year (in ₹)	Status of the project -Completed /Ongoing
Not Applicable								

10. In case of creation or acquisition of asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (Asset wise details)

(a) *Date of creation or acquisition of the asset(s):*
There is no asset created or acquired through CSR spent in the financial year 2020-21.
A land parcel was acquired on 30th October, 2015 for constructing Vocational Training Centre ("VTC"). Construction of building for VTC is in progress.

(b) *Amount of CSR spent for creation /acquisition of capital asset:*
An amount of ₹ 18.80 million was spent for construction of VTC building during the financial year 2020-21.

(c) *Details of the entity/ public authority/beneficiary under whose name such asset is registered, their address etc.:*
Sevak Trust Address: Gut No. 41/3B, Opp. WALMI, Aurangabad-Paithan Road, Kanchanwadi, Aurangabad- 431 002, Maharashtra

(d) *Provide details of the Capital asset(s) created/ acquired (including complete address and location of the property):*
Sevak Trust, Vocational Training Centre, Gut No. 54/P, Jogeshwari, Ta. Gangapur, Dist. Aurangabad- 431 109, Maharashtra

11. Specify the reason(s) if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Anurang Jain
Managing Director and Chairman of Corporate Social Responsibility Committee
(DIN 00291662)

Date: 12th July, 2021

ANNEXURE III TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Endurance Technologies Limited
E-92, MIDC Waluj
Aurangabad-431 136

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Endurance Technologies Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investment. The Rules and Regulations related to Foreign Direct Investment and External Commercial Borrowings did not apply to the Company during the year;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit period).

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no law was applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

ANNEXURE III TO BOARD'S REPORT (CONTD.)

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Signature:
Sd/-
Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189C000280756
PR No.: 654/2020

Place: Pune
Date: 12th May, 2021

This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure

To,
The Members,
Endurance Technologies Limited
E-92, MIDC Waluj
Aurangabad-431 136

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:
Sd/-
Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189C000280756
PR No.: 654/2020

Place: Pune
Date: 12th May, 2021

ANNEXURE IV TO BOARD'S REPORT

Information pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The ratio of the remuneration of each Director / Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year 2020-21:

Sr. No.	Name of Directors / Key Managerial Personnel and Designation	Ratio of remuneration to the median employee's remuneration	% increase/(decrease) in remuneration in the financial year 2020-21
Executive Directors and Key Managerial Personnel			
1	Mr. Anurang Jain, Managing Director	96.57	(21.28)%
2	Mr. Satrajit Ray, Director and Group Chief Financial Officer	49.91	(3.79)%
3	Mr. Ramesh Gehaney, Director and Chief Operating Officer	48.77	(4.49)%
4	Mrs. Varsha Jain Director and Head - CSR and Facility Management *(w.e.f. 10th November, 2020)*	7.72	N.A.
Non-executive Directors @			
5	Mr. Naresh Chandra, Chairman *(Up to 10th November, 2020)*	3.25	(46.61)%
6	Mr. Soumendra Basu, Chairman *(Chairman w.e.f. 10th November, 2020)*	5.87	0.71%
7	Mr. Partho Datta	5.82	(0.35)%
8	Mr. Roberto Testore	5.10	2.07%
9	Ms. Anjali Seth	5.31	(1.91)%
10	Mrs. Falguni Nayar *(Up to 9th February, 2021)*	4.59	(2.20)%
11	Mr. Massimo Venuti **	N.A.	N.A.
12	Mr. Indrajit Banerjee *(w.e.f. 9th February, 2021)*	0.10	N.A.
Key Managerial Personnel			
13	Mr. Sunil Lalai, Company Secretary	18.30	(7.13)%

N.A. = Not Applicable

@ Remuneration to Non-executive Directors includes sitting fees paid for attending meetings of the Board and its Committees and also remuneration paid by way of commission during the year.

*** Mr. Massimo Venuti is an employee of Endurance Overseas Srl, Italy and he does not draw any remuneration from the Company.*

b) The median remuneration of the employees of the Company during the financial year 2020–21 was ₹ 0.48 million.

c) Percentage increase in the median remuneration of employees in the last financial year 2020–21 was 2.84% as compared to the previous year.

d) Number of permanent employees as on 31st March, 2021 are 3,800.

e) Average percentile increase in the salaries of employees other than the managerial personnel in the financial year 2020–21 and its comparison with the percentile increase in the managerial remuneration and justification thereof (and point out if there are any exceptional circumstances for increase in the managerial remuneration);

Average percentile increase in the salaries of employees other than managerial personnel in the financial year 2020–21 was 0.68%; there was a decrease in the managerial remuneration by 32.53% in the financial year 2020-21.

The decrease in compensation of employees was on account of certain austerity measures taken to reduce the employment cost, being one of the major components of fixed cost, to deal with unprecedented crisis posed by nation-wide lockdowns announced by the Government in the first quarter of the previous year, to curb the spread of COVID-19.

f) It is hereby affirmed that remuneration to the KMPs and employees of the Company are in line with the Nomination and Remuneration Policy of the Company.

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) READ WITH PART B OF SCHEDULE II TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

19th May, 2021

The Members,
Endurance Technologies Limited,
E-92, MIDC Industrial Area,
Waluj, Aurangabad – 431 136

Sub.: Compliance Certificate under Regulation 17(8) read with Part B of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that for the financial year ended 31st March, 2021:

1. we have reviewed the financial statements and the cash flow statement for the year as aforesaid and to the best of our knowledge and belief:
    a. these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    b. these statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards (Ind AS), applicable laws and regulations;
2. to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct for Directors and Senior Management Personnel as well as Endurance Code of Conduct for Employees;
3. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there were no deficiencies in the design or operation of such internal controls; and
4. we have indicated to the Statutory Auditors and the Audit Committee:
    a. that there were no significant changes in internal control over financial reporting, during the year;
    b. all significant changes in the accounting policies during the year, if any, have been disclosed in the notes in respective place in the financial statements; and
    c. there were no instances of fraud, of which we have become aware of.

For **Endurance Technologies Limited**

Sd/-	Sd/-
Anurang Jain	**Satrajit Ray**
Managing Director	Director and Group Chief Financial Officer
DIN 00291662	DIN 00191467

DECLARATION BY MANAGING DIRECTOR

19th May, 2021

The Members,
Endurance Technologies Limited,
E-92, MIDC Industrial Area,
Waluj, Aurangabad – 431 136

Sub.: Declaration regarding compliance with the Company's Code of Conduct for Directors and Senior Management Personnel.

Ref.: Regulation 34(3) read with Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Anurang Jain, Managing Director of Endurance Technologies Limited, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel of the Company.

For **Endurance Technologies Limited**

Sd/-
Anurang Jain
Managing Director
DIN 00291662

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Members of Endurance Technologies Limited
Endurance Technologies Limited
E-92, M.I.D.C. Industrial Area,
Waluj, Aurangabad – 431136
Maharashtra, India.

1. The Corporate Governance Report prepared by Endurance Technologies Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held April 01, 2020 to March 31, 2021:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship Committee;

      (f) Risk Management Committee;

      (g) Corporate Social Responsibility Committee;

      (h) Finance Committee.

   v. Obtained necessary declarations from the directors of the Company.

   vi. Obtained and read the policy adopted by the Company for related party transactions.

   vii. Obtained the schedule of related party transactions during the year and balances at the year - end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

   viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 21089802AAAABH2155

Place of Signature: Pune
Date: May 19, 2021

CORPORATE GOVERNANCE REPORT

The Directors present the Corporate Governance Report of the Company for the financial year 2020-21. This report elucidates the systems and processes followed by the Company to ensure compliance of corporate governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013 ("Act").

1. PHILOSOPHY:

Your Company is aligned and committed to the ever evolving corporate governance practices and believes in going beyond the tenets of law. At Endurance, we always strive to achieve high standards of integrity, transparency, fairness, accountability, disclosures and business ethics in dealing with its stakeholders.

We firmly believe that strong governance principles provide a nucleus for sustained value creation and build stronger bonds that safeguard interests of all our stakeholders. All employees of the Company are guided by the five core values i.e. Customer Centricity, Integrity, Transparency, Team Work and Innovation. These have been instilled in our corporate culture which is directed towards continually improving the Corporate Governance framework and work ethos of our Company.

The philosophy on corporate governance is well observed and forms part of the Company's Code of Conduct for Directors and Senior Management Personnel as well as Endurance Code of Conduct for Employees.

2. BOARD OF DIRECTORS:

a) Composition:

As on 31st March, 2021, the Board comprised ten Directors, four of whom are Executive Directors, five are Non-executive & Independent Directors including one woman Independent Director and one Non-executive and Non-Independent Director. The Company has a Non-executive and Independent Director as Chairman.

None of the Directors on the Board is a member of more than ten Committees or Chairperson of more than five Committees across all companies in which he/ she is a Director pursuant to Regulation 26 of Listing Regulations. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies. Necessary disclosures regarding Committee positions have been made by all the Directors.

Mr. Anurang Jain, Managing Director and Mrs. Varsha Jain, Director and head - CSR and Facility Management of the Company are relatives in terms of the Act. None of the other Directors are related to each other.

The Board is of the opinion that Independent Directors fulfil conditions specified under the Act and the Listing Regulations and are independent of the management of the Company.

CORPORATE GOVERNANCE REPORT (CONTD.)

Composition of the Board of Directors, during the year ended on 31st March, 2021 was as under:

Sr. No.	Name of the Director	Category	Original date of appointment / Date of last re-appointment	Attendance in last Annual General Meeting	Boards / Committees		
					Director-ships*	Committee**	
						Member	Chairperson
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non-Independent^	27th December, 1999/ N.A.	No		N.A.^	
2.	Mr. Soumendra Basu	Chairman@, Non-executive, Independent	16th June, 2010/ 10th June, 2016	Yes	4	3	0
3.	Mr. Anurang Jain	Managing Director, Executive and Promoter	27th December, 1999/ 1st April, 2016	Yes	2	1	0
4.	Mr. Partho Datta	Non-executive, Independent	16th June, 2010/ 10th June, 2016	Yes	2	2	1
5.	Mr. Roberto Testore	Non-executive, Independent	17th October, 2007/ 10th June, 2016	Yes	1	0	0
6.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	6th June, 2014/ 6th June, 2019	Yes	1	0	0
7.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	6th June, 2014/ 6th June, 2019	Yes	1	1	0
8.	Ms. Anjali Seth	Non-executive, Independent	10th June, 2016	Yes	8	9	4
9.	Mrs. Falguni Nayar	Non-executive, Independent$	10th June, 2016	Yes		N.A.$	
10.	Mr. Massimo Venuti	Non-executive, Non-Independent	2nd December, 2016	Yes	1	0	0
11.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive	10th November, 2020#	N.A.	1	0	0
12.	Mr. Indrajit Banerjee	Non-executive, Independent	9th February, 2021@@	N.A.	3	2	0

N.A. = Not Applicable.

* *In accordance with the provisions of the Listing Regulations, directorships held in private limited and foreign companies have been excluded.*

** *In accordance with the provisions of the Listing Regulations, memberships/ chairpersonships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies have been considered.*

^ *Mr. Naresh Chandra resigned as Chairman and Director of the Company with effect from 10th November, 2020.*

@ *Mr. Soumendra Basu was appointed as Chairman of the Board with effect from 10th November, 2020.*

$ *Mrs. Falguni Nayar resigned as Non-executive and Independent Director of the Company with effect from 9th February, 2021.*

Mrs. Varsha Jain, Executive Vice President – CSR and Facility Management was appointed as an Additional Director of the Company with effect from 10th November, 2020 and was designated as Director and Head - CSR and Facility Management.

@@ *Mr. Indrajit Banerjee was appointed as an Additional Director (in the capacity as an Independent Director) of the Company for a term of five consecutive years with effect from 9th February, 2021.*

CORPORATE GOVERNANCE REPORT (CONTD.)

b) Table indicating details of Directors serving Directorships in other listed entities as on 31st March, 2021

Sr. No.	Name of the Director	Name of the listed entity	Category of directorship
1.	Mr. Soumendra Basu	India Carbon Limited	Independent Director
2.	Ms. Anjali Seth	Caprihans India Limited	Independent Director
		Kalpataru Power Transmission Limited	Independent Director
		JMC Projects (India) Limited	Independent Director
		Centrum Capital Limited	Independent Director
		Nirlon Limited	Independent Director
3.	Mr. Indrajit Banerjee	Fortis Healthcare Limited	Independent Director

Number of Board meetings:

During the financial year 2020-21, the Board of Directors met four times on following dates, *viz.* 25th June, 2020, 13th August, 2020, 10th November, 2020 and 9th February, 2021. The statement below tabulates the attendance of each of the director at the aforesaid Board meetings.

Sr. No.	Date of Meeting	Category	25th June, 2020	13th August, 2020	10th November, 2020	9th February, 2021
	No. of Meeting / Name of Directors		112th	113th	114th	115th
1.	Mr. Naresh Chandra#	Chairman, Non-executive, Non-Independent	ⓧ	ⓧ	ⓧ	N.A.
2.	Mr. Soumendra Basu*	Chairman, Non-executive, Independent	👨	👨	👨	👨
3.	Mr. Anurang Jain	Managing Director, Executive and Promoter	👨	👨	👨	👨
4.	Mr. Partho Datta	Non-executive, Independent	👨	👨	👨	👨
5.	Mr. Roberto Testore	Non-executive, Independent	👨	👨	👨	👨
6.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	👨	👨	👨	👨
7.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	👨	👨	👨	👨
8.	Ms. Anjali Seth	Non-executive, Independent	👩	👩	👩	👩
9.	Mrs. Falguni Nayar	Non-executive, Independent	👩	👩	👩	👩
10.	Mr. Massimo Venuti	Non-executive, Non-Independent	👨	👨	👨	👨
11.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive	N.A.	N.A.	👩	👩
12.	Mr. Indrajit Banerjee	Non-executive, Independent	N.A.	N.A.	N.A.	👨

N.A. = Not Applicable

👨👩- *Presence of Directors*

ⓧ- *Leave of Absence*

#Mr. Naresh Chandra resigned as Chairman and Director of the Company with effect from 10th November, 2020.

**Mr. Soumendra Basu, Independent Director has been appointed as Chairman of the Board with effect from 10th November, 2020.*

CORPORATE GOVERNANCE REPORT (CONTD.)

c) Certificate of Independence

In terms of Listing Regulations, M/s. SVD & Associates, Company Secretaries, has issued a certificate that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of company(ies) by SEBI / Ministry of Corporate Affairs or any other statutory authority.

d) Shareholding of Non-executive directors:

Details of shares held by the Non-executive directors of the Company are as under:

Sr. No.	Name of the Non-executive director	No. of equity shares held in the Company	No. of convertible instruments held in the Company
1.	Mr. Soumendra Basu	Nil	There are no convertible instruments issued by the Company.
2.	Mr. Partho Datta	Nil	
3.	Mr. Roberto Testore	Nil	
4.	Ms. Anjali Seth	Nil	
5.	Mr. Massimo Venuti	Nil	
6.	Mr. Indrajit Banerjee	Nil	

e) Skills / expertise / competence of Directors:

The Directors of the Company collectively bring with them a wide range of skills, expertise and competence with their rich experience, which enhances the quality of the Board's decision making process. The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board is able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced growth of an organisation.

Matrix setting out the core skills / expertise / competence, fundamental for the Board of Directors for effective functioning and monitoring of the Company

Sr. No.	Skills / expertise / competence	Details
1.	Domain knowledge in auto / auto components industry	In depth knowledge and experience of auto component and automotive industry including aftermarket business in India and abroad.
2.	Strategy and Planning	Experience in long-term sustainable business strategy formulation considering business trends and evolving environment.
3.	Business Management	Experience of managing business in a leadership role covering various facets of business such as operations, sales & marketing and supply chain management, etc.
4.	Financial knowledge and expertise	Experience of financial management encompassing understanding of financial statements, financial controls, risk management, treasury operations, mergers & acquisitions, investor relations, etc.
5.	Law and Governance	Expertise in laws and governance practices applicable to the business.
6.	Human Resources and Industrial Relations	Expertise and experience in Human Resources and industrial relations management along with knowledge of current practices.
7.	Technology and Research & Development	Knowledge in current technology trends and products. Expertise in technology tie-ups.

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Mapping of the skills / expertise / competence actually available with the Board along with the names of Directors, is given below:

Name of Directors	Skills / expertise / competence						
	Domain knowledge in auto / auto components industry	Strategy and Planning	Business Management	Financial knowledge and expertise	Law and Governance	Human Resources and Industrial Relations	Technology and Research & Development
Mr. Naresh Chandra[(1)]	✓	✓	✓	✓	✓	✓	x
Mr. Soumendra Basu	x	✓	✓	✓	x	✓	x
Mr. Anurang Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Partho Datta[(2)]	x	✓	✓	✓	✓	x	x
Mr. Roberto Testore	✓	✓	✓	✓	x	x	✓
Mr. Ramesh Gehaney	✓	✓	✓	x	✓	x	✓
Mr. Satrajit Ray	✓	✓	✓	✓	✓	x	x
Ms. Anjali Seth	x	✓	x	x	✓	✓	x
Mrs. Falguni Nayar[(3)]	x	✓	✓	✓	✓	x	x
Mr. Massimo Venuti	✓	✓	✓	✓	✓	✓	x
Mrs. Varsha Jain	x	✓	✓	x	✓	x	x
Mr. Indrajit Banerjee	x	✓	✓	✓	✓	x	x

(1) Mr. Naresh Chandra resigned as Chairman and Director of the Company with effect from 10th November, 2020.

(2) Mr. Partho Datta, Non-executive Independent Director of the Company passed away on 1st May, 2021.

(3) Mrs. Falguni Nayar resigned as Non-executive Independent Director of the Company with effect from 9th February, 2021.

f) Familiarisation Programmes for Independent Directors:

Independent Directors inducted on the Board are given a formal introduction about the Company and its operations. This is enabled through a meeting with the Managing Director, Whole Time Directors and members of senior management team. The objective is to provide them an insight about the industry in which the Company operates and comprehensive information about Company's business and management.

Various familiarisation initiatives are carried out throughout the year on an on going basis which include comprehensive update at Board and Committee meetings on Company's performance and industry scenario, and information on specific functions/ departments through presentations by Company executives. An impact analysis on amendments in corporate laws and regulations applicable to the Company are also shared with the Directors for their information and action, if necessary.

Details of familiarisation initiatives undertaken by the Company are available on the website of the Company at www.endurancegroup.com/investor-relations.

The aim of familiarisation programmes is to give independent directors an update on:

i. the industry in which the Company operates;

ii. business model and strategic plans of the Company;

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iii. roles, rights, responsibilities of independent directors; and

iv. other relevant/ significant information pertaining to or affecting the Company

to enable them take informed decisions.

Independent Directors on the Board of the Company have diverse background with rich experience and expertise in their respective domains. They have an aptitude to keep themselves abreast with changes in the industry and applicable regulations.

The Company undertakes following initiatives to apprise them with significant and relevant information which helps in effective discharge of their duties and responsibilities as independent directors of the Company:

I. Appointment of Director(s)

A formal letter of appointment is issued to a director, *inter alia*, giving details of the Committee(s) where he/ she is also appointed as member along with the terms of reference, information about other Board constituted committees, roles and responsibilities as independent director. The director is also provided with a handbook, which gives an overview on the Company and the Management comprising, amongst others, following information:

a. Corporate overview:

i. Purpose, Philosophy, Vision, Mission and Goal of the Company;

ii. Company's values;

iii. Descriptive input on products manufactured by the Company; and

iv. Organogram of Endurance Group which details the subsidiaries and their shareholding pattern.

b. Board and Management overview:

i. Constitution of the Board of Directors and various committees of the Board along with their terms of reference and names of members;

ii. Profile of Board members; and

iii. Names and contact details of members of core management team.

c. Reference Documents:

i. Code of Conduct for Directors and Senior Management Personnel;

ii. Code of Conduct for prevention of Insider Trading;

iii. Corporate policies of the Company approved by the Board which, *inter-alia*, include Whistle Blower Policy, Corporate Social Responsibility Policy, Nomination and Remuneration Policy, Risk Management Policy; and

iv. Powers of the Board, liabilities of Directors, their duties and responsibilities, etc. as enumerated in the Act and the Listing Regulations.

II. Updates at Board Meetings

Frequency: At periodic intervals (annual/ bi-annual/ quarterly)

Presentations are made by head of functions/ senior executives of the Company to the Board. These are with an aim to keep the Non-executive directors conversant and updated on various matters, *inter alia*, encompassing:

i. Company's performance *vis-à-vis* industry performance, business trends, update on plant operations, new orders/ share of business of customers, initiatives on Research & Development and other significant matters like, setting up of new facility/ies, acquisition(s);

ii. Detailed review on operating and financial performance of the Company's overseas subsidiaries including business trends based on economic and geo-political specific influence;

iii. Strategic business plans including annual budgets;

iv. Presentations by head of function / senior management official(s) of key functions like Research & Development, Marketing, Sourcing, Human Resources, giving an overview of the respective function, its staffing, progress in their respective areas including SWOT analysis, where relevant.

v. Risks assessment and mitigation plans as per adopted Risk Management framework;

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vi. Initiatives relating to health, safety and environment;

vii. Amendments to the Act, Listing Regulations and other applicable laws;

viii. Adequacy of internal controls systems including internal financial controls;

ix. Any significant information relating to subsidiary companies;

x. Significant internal audit findings/ observations;

xi. Corporate Social Responsibility initiatives undertaken;

xii. Changes at senior level management;

xiii. Litigations and compliance; and

xiv. Performance evaluation of the Board – as a whole, its committees and individual Directors.

The compliance management system is explained in detail to provide them insight on the reporting and monitoring mechanism for all relevant acts, regulations and statutes applicable to the Company.

At periodic intervals Board meetings are held at one of the Company's plants in India or at a subsidiary overseas, during which factory visits are also organised. During the year under review, the Company did not undertake any plant visits in order to comply with the restrictions imposed by authorities in the Standard Operating Procedures, issued in this regard to contain the spread of COVID-19 pandemic.

III. Event Based updates

In terms of the Listing Regulations, events stipulated as material or those assessed to be material based on the criteria laid down in the 'Policy for Determination of Materiality of Event/ Information' are shared with the independent directors, simultaneous to its dissemination to all shareholders by way of corporate announcements through stock exchanges and uploading on Company's web portal. The updated Policy is placed on the Company's Website at www.endurancegroup.com/invertor-relations

IV. Interactions with Management Committee and Senior Management team of the Company

The Directors have unrestricted access to information and are free to interact with the senior management officials. The independent directors are invited to attend internal management review meetings where key strategic deliberations relating to business plans and human resources initiatives are discussed. Such forums provide an opportunity to the Board members to interact with project/ functional teams which gives an insight from business perspective and provides a platform for the management to receive strategic inputs from the directors.

Details of the familiarisation programmes undertaken during the financial year 2020-21 are given below:

Sr. No.	Date	Particulars of Familiarisation	No. of hours spent
1.	25th June, 2020	Presentation by the Director and Chief Executive Officer of Endurance Overseas Srl, Italy on European operations and by the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the FY 2019-20.	2
2.		Update on projects and programmes undertaken by the Company in terms of Corporate Social Responsibility Policy in the FY 2019-20 and plans for the FY 2020-21.	
3.		Presentation on Health, Safety and Environment of the Company encompassing following for FY 2020-21: • Group Safety Performance; • Corporate Safety initiatives; and • Environment Initiatives.	

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Sr. No.	Date	Particulars of Familiarisation	No. of hours spent
4.	13th August, 2020	Presentation by the Managing Director, the Director and Chief Operating Officer, the Director and Group Chief Financial Officer of the Company and the Director and Chief Executive Officer of Endurance Overseas Srl, Italy, on Annual Business Plan of the Company and its subsidiaries. This presentation included operating and sales plan and budget of the Company and that at Group level for last three quarters of the FY 2020-21.	2
5.		Presentation by the Director and Chief Executive Officer of Endurance Overseas Srl, Italy on European operations and by the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the quarter ended 30th June, 2020.	
6.	10th November, 2020	Presentation by the Director and Chief Executive Officer of Endurance Overseas Srl, Italy on European operations and by the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the quarter and half year ended 30th September, 2020.	2.5
7.		Presentation by Vice-President - HR and Strategic Projects on 'People Strategy' for the organisation covering following points: • Developing a high performance culture; • Improving ways of working; and • Ensuring effectiveness of development initiatives.	
8.		Presentation on Health, Safety and Environment of the Company covering following points – • Group Safety Performance; • Corporate Safety initiatives; and • Environmental initiatives.	
9.	9th February, 2021	Presentation by the Director and Chief Executive Officer of Endurance Overseas Srl, Italy on European operations and by the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the quarter and nine month period ended 31st December, 2020.	0.5
Total number of hours spent			***7***

Attendance of Directors for the above programmes

Sr. No.	Name of Director	Whether attended	No. of hours spent up to previous FY 2019-20	No. of hours spent during the FY 2020-21	Cumulative No. of hours spent as on 31st March, 2021
1.	Mr. Roberto Testore	Yes	26	7	33
2.	Mr. Partho Datta	Yes	33	7	40
3.	Mr. Soumendra Basu	Yes	33	7	40
4.	Ms. Anjali Seth	Yes	33	7	40
5.	Mrs. Falguni Nayar*	Yes	24	6.5	30.5
6.	Mr. Indrajit Banerjee#	Yes	N.A.	0.5	0.5

N.A. = Not Applicable.

** Mrs. Falguni Nayar stepped down as a director from the Board with effect from 9th February, 2021.*

 # Mr. Indrajit Banerjee was appointed as an Additional Director (in the capacity as an Independent Director) with effect from 9th February, 2021.

g) Resignation of Independent Director:

During the year under review, Mrs. Falguni Nayar, Non-executive Independent Director of the Company tendered her resignation as Director of the Company. Mrs. Nayar has stated in her resignation letter that owing to pre-occupation and personal reasons it was becoming difficult to discharge her duties as a director on the Board of the Company. Her resignation is effective from the close of business hours of 9th February, 2021.

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She has confirmed, in her resignation letter dated 11th January, 2021, that there is no other reason than that mentioned above for resigning from the Board of the Company.

V. Credit rating:

During the year under review, ICRA Ltd, a credit rating agency registered with SEBI had reaffirmed the long term rating of ICRA AA+/ Stable and ICRA A1+ for short term rating. CRISIL Ratings Limited (a subsidiary of CRISIL Limited), a credit rating agency registered with the SEBI, has upgraded the long-term rating for bank credit facilities and reaffirmed the short-term rating for bank credit facilities / Commercial Papers as CRISIL AA+/ Stable and CRISIL A1+, respectively.

3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

As on 31st March, 2021, the Committee comprised following directors as its members:

i. Mr. Partho Datta, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

Changes in composition after 31st March, 2021

On 23rd April, 2021, Mr. Indrajit Banerjee, Non-executive Independent Director of the Company was co-opted as a member of the Audit Committee. Mr. Banerjee is an Associate Member of the Institute of Chartered Accountants of India and holds extensive industry experience in finance, strategy, legal, information technology, mergers & acquisitions (M&A) and general management functions.

Mr. Partho Datta, Non-executive Independent Director, passed away on 1st May, 2021 and consequently ceased to be the Chairman of the Audit Committee. Mr. Indrajit Banerjee, Non-executive Independent Director was appointed as Chairman of the Committee on 19th May, 2021.

As on the date of the report i.e. 19th May, 2021, the Audit Committee comprised following directors as its members:

i. Mr. Indrajit Banerjee, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

All Committee members are independent directors and are financially literate as required under Regulation 18(1)(c) of the Listing Regulations.

The Committee invites the Managing Director, the Director and Group Chief Financial Officer, the Director and Chief Operating Officer, the Statutory Auditors and the Chief Internal Auditor to attend meetings of the Committee.

Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal, acts as Secretary to the Committee.

The terms of reference of the Committee are as under:

1. Overseeing the financial reporting process to ensure fairness, transparency, sufficiency and reliability of financial statements, including recognition, recording and reporting of financial information in keeping with the applicable laws and that the same is correct, sufficient and credible;
2. Recommending the appointment, remuneration and terms of appointment of statutory auditors;
3. Approving payment to statutory auditors for any other services rendered by them;
4. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
5. Reviewing the adequacy of internal control systems including internal financial controls and risk management systems;
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
7. Recommending appointment and removal of internal auditor and outsourced internal auditors for our Company's overall operations and its auditable units;
8. Discussing with internal auditors on any significant findings and follow-up thereon;
9. Examining the financial statements (in particular the investments made by any unlisted subsidiary);
10. Discussing nature and scope of audit and audit plans on a regular basis with statutory and the internal auditors as well as post-audit discussion to ascertain any area of concern;
11. Reviewing, with the management, performance of the statutory and internal auditors;

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12. Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;
13. Reviewing and examining with the management annual financial statements before submission of the same to the Board. This will include:
    i. Matters required to be included in the directors' responsibility statement to be mentioned in the Board's report;
    ii. Any changes in accounting policies and practices and reasons for the same;
    iii. Major accounting entries based on exercise of judgment by the management;
    iv. Compliance with listing and other legal requirements relating to financial statements;
    v. Non-recurring, abnormal and one-time entries;
    vi. Qualification, if any, in the draft audit report;
    vii. Significant adjustments made in financial statements arising out of audit findings;
    viii. Disclosure of related party transactions; and
    ix. Modified opinion(s) in the draft audit report.
14. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
15. Review the following information:
    i. Management discussion and analysis of financial condition and results of operations;
    ii. Statement of significant related party transactions submitted by management;
    iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    iv. Internal audit reports relating to internal control weaknesses;
    v. The appointment, removal and terms of remuneration of the chief internal auditor;
    vi. Statement of deviations:
        a. quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations;
        b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of Listing Regulations.
16. Reviewing findings of internal investigations involving matters of suspected fraud, financial integrity or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Reviewing and investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the security and control aspects of the information technology and connectivity systems;
19. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and make appropriate recommendation to the Board to take steps in this matter;
20. Approving or subsequently modifying transactions with related parties including granting omnibus approval subject to the conditions prescribed in the Listing Regulations and the related party transactions policy;
21. Scrutinising inter-corporate loans and investments;
22. Ensuring valuation of undertakings or assets of our Company, wherever it is necessary;
23. Reviewing the functioning of the whistle blower mechanism;
24. Approving appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
25. Review of statutory compliances and legal cases;
26. Carrying out any other functions as provided under the Act, the Listing Regulations and other applicable law;
27. To review the utilisation of loans and/ or advances from/investment by the Company in its subsidiary(ies) exceeding Rupees 1,000 million or 10% of the asset size of the respective subsidiary, whichever is lower including existing loans / advances / investments; and
28. Any other term of reference as may be mandated by the Board.

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During the financial year 2020-21, the Committee met four times *viz.* 25th June, 2020, 13th August, 2020, 10th November, 2020 and 9th February, 2021.

Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	25th June, 2020	13th August, 2020	10th November, 2020	9th February, 2021
	No. of Meeting/ Name of Directors		35th	36th	37th	38th
1.	Mr. Partho Datta	Non-executive, Independent	✓	✓	✓	✓
2.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓	✓	✓
3.	Ms. Anjali Seth	Non-executive, Independent	✓	✓	✓	✓

- Presence of Directors

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee ("NRC") of the Company is constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

As on 31st March, 2021, the Committee comprised following directors as its members:

i. Ms. Anjali Seth, Chairperson;

ii. Mr. Partho Datta; and

iii. Mr. Soumendra Basu.

Changes in composition after 31st March, 2021

On 22nd April, 2021, the Board of Directors co-opted Mr. Indrajit Banerjee, Non-executive Independent Director of the Company, as a member of the NRC.

On 1st May, 2021, Mr. Partho Datta, Non-executive Independent Director ceased to be a member of the NRC due to his sudden and sad demise.

As on the date of this report i.e. 19th May, 2021, the NRC comprised following directors as its members:

i. Ms. Anjali Seth, Chairperson;

ii. Mr. Soumendra Basu; and

iii. Mr. Indrajit Banerjee.

All the Committee members are Non-executive Independent Directors as required under Section 178 of the Act and Regulation 19 of the Listing Regulations.

Mr. Sunil Lalai, Company Secretary and Executive Vice President – Legal, acts as Secretary to the Committee.

The terms of reference of the Committee are as under:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of performance of independent directors and the Board;

3. Devising a policy on diversity of the Board;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

5. Reviewing succession plans of Board members, key managerial personnel and senior management employees;

6. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors; and

7. Carry out any other functions as provided under the Act and the Listing Regulations and other applicable law.

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During the financial year 2020-21, the Committee met thrice *viz.* on 24th June, 2020, 10th November, 2020 and 9th February, 2021. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting/ Name of Directors	Category	24th June, 2020	10th November, 2020	9th February, 2021
			10th	11th	12th
1.	Ms. Anjali Seth	Non-executive, Independent	✓	✓	✓
2.	Mr. Partho Datta	Non-executive, Independent	✓	✓	✓
3.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓	✓

✓ - *Presence of Directors*

Performance evaluation criteria for Independent Directors:

In terms of Section 178 of the Act and Regulation 19 read with Schedule II to the Listing Regulations, the NRC has laid down the criteria for performance evaluation of the Board - as a whole, its Committees and individual directors. Based thereon, the evaluation was carried out by the Board.

The performance evaluation of individual directors and the assessment of Committees' and Board's effectiveness for the financial year 2020-21 was conducted through online platform. Based thereon, the Board at its meeting held on 23rd April, 2021, reviewed the performance assessment of the Board and its Committees. Feedback on performance of individual directors was given separately.

The criteria for performance evaluation forms part of the Nomination and Remuneration Policy ("NR Policy") of the Company, which is placed on the Company's website at www.endurancegroup.com/investor-relations.

Remuneration of Directors:

i. Pecuniary transactions with Non-executive Directors:

Mr. Naresh Chandra, resigned as Chairman and Director of the Company with effect from 10th November, 2020. He also served as an Advisor to the Company. Mr. Naresh Chandra was re-appointed as the Advisor for a period of three years with effect from 1st January, 2018 at a remuneration of ₹ 2.25 lakh per month (excluding applicable taxes).

During the year under review, the Company has paid Advisory fee of ₹ 1,575,000 (Net of applicable taxes) to Mr. Naresh Chandra.

ii. Criteria of making payments to Non-executive Independent Directors:

Non-executive Independent Directors are professionals with rich domain knowledge having diversified industry experience. Based on the nature of expertise, they advise the Board from an external perspective on critical matters brought to their attention. As independent directors they fulfil their duties by proficiently bringing objectivity during discussions in the Board and Committee meetings.

The Company makes payment of remuneration by way of commission to Non-executive Independent Directors for their contribution as members of the Board.

The NR Policy of the Company, *inter alia*, contains the criteria of making payments to directors (including Non-executive independent directors), key managerial personnel and senior management employees and is placed on the Company's website at www.endurancegroup.com/investor-relations.

iii. Details of remuneration to directors:

Executive directors are paid remuneration in the form of fixed pay, allowances, performance based incentives, annual retention bonus, perquisites and other benefits, as approved by the Board under the authority of shareholders. They are entitled to superannuation benefits from an approved life insurance company, which forms part of their perquisites. Annual increment is decided by the Board within the limits stipulated under Section 197(1) of the Act as approved by the Members and is effective from 1st April of every year. No pension is paid by the Company.

The Members, in the Extra-Ordinary General Meeting of the Company held on 29th June, 2016, have approved payment of commission to the Non-executive Directors within the ceiling of 1% of net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided every year by the Board of Directors and paid to the Non-executive Independent Directors. The commission is paid after the audited financial statements of the respective year are adopted by the Members in Annual General Meeting.

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In addition to the commission paid to Non-executive Independent Directors, all Non-executive directors, except Mr. Massimo Venuti, were paid sitting fee as per below table, for the Board and Committee meetings attended by them.

Meeting of	Sitting fees paid for each meeting attended
Board	₹ 50,000
Audit Committee	₹ 50,000
Nomination and Remuneration Committee	₹ 30,000
Corporate Social Responsibility Committee	₹ 30,000
Stakeholders' Relationship Committee	₹ 20,000
Risk Management Committee	₹ 30,000

The Company has not granted any stock options to the directors and hence, it does not form part of the remuneration package payable to any Director. During the year, the Company did not advance any loan to any director.

The remuneration drawn by Directors during the year is as under:

(Amount in ₹ million)

Sr. No.	Name of Director	Category	Salary*	Commission (for the FY 2019-20)	Sitting Fees	Others	Total
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non-independent	-	-	-	1.57	1.57
2.	Mr. Anurang Jain	Managing Director, Executive and Promoter	46.00	-	-	-	46.00
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	22.86	-	-	-	22.86
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	23.41	-	-	-	23.41
5.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive	8.44	-	-	-	8.44
6.	Mr. Massimo Venuti	Non-executive, Non-Independent	-	-	-	-	-
7.	Mr. Roberto Testore	Non-executive, Independent	-	2.25	0.22	-	2.47
8.	Mr. Partho Datta	Non-executive, Independent	-	2.25	0.57	-	2.82
9.	Mr. Soumendra Basu	Non-executive, Independent	-	2.25	0.59	-	2.84
10.	Ms. Anjali Seth	Non-executive, Independent	-	2.00	0.57	-	2.57
11.	Mrs. Falguni Nayar	Non-executive, Independent	-	2.00	0.22	-	2.22
12.	Mr. Indrajit Banerjee	Non-executive, Independent	-	-	0.05	-	0.05

** The variable salary of Mr. Ramesh Gehaney, Mr. Satrajit Ray and Mrs. Varsha Jain for the financial year 2020-21 was ₹ 3,552,017, ₹ 3,493,283 and ₹ 1,227,221, respectively.*

Notes: 1. During the financial year 2020-21, the remuneration paid to Executive and Non-executive Directors was within the ceiling prescribed under Section 197 of the Act. This was based on profit computed as per Section 198 of the Act, which was ₹ 5,497.12 million.

2. No commission has been paid to the Managing Director of the Company during the financial year 2020-21.

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5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility ("CSR") Committee is constituted in compliance with the provisions of Section 135 of the Act.

As on 31st March, 2021, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Soumendra Basu;

iii. Mr. Ramesh Gehaney; and

iv. Mrs. Varsha Jain *(co-opted as member of CSR Committee with effect from 10th November, 2020).*

Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal, acts as a Secretary to the Committee.

The terms of reference of the Committee were revised in the Board meeting held on 19th May, 2021 and encompass as follows:

i. Formulate and recommend to the Board, revisions to the Corporate Social Responsibility Policy ("CSR Policy");

ii. Recommend activities to fulfil the CSR obligations as prescribed under Section 135 of the Companies Act, 2013 and rules thereunder;

iii. Formulate and recommend to the Board, an annual action plan or any revision thereto, in pursuance of its CSR Policy, which shall include the following, namely:

   a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act;

   b. the manner of execution of such projects or programmes;

   c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

   d. monitoring and reporting mechanism for the projects or programmes; and

   e. details of need and impact assessment, if any, for the projects undertaken by the Company.

iv. Monitor and review the progress of CSR projects approved by the Board and recommend revision/ course correction, if any.

v. Any other term of reference as may be mandated by the Board.

During the financial year 2020-21, the CSR Committee met thrice *viz.* on 25th June, 2020, 10th November, 2020 and 8th March, 2021. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting No. of Meeting/ Name of Directors	Category	25th June, 2020 14th	10th November, 2020 15th	8th March, 2021 16th
1.	Mr. Anurang Jain	Managing Director, Executive and Promoter			
2.	Mr. Soumendra Basu	Non-executive, Independent			
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive			
4.	Mrs. Varsha Jain*	Director and Head – CSR and Facility Management, Executive	N.A	N.A	

N.A. = Not Applicable

- Presence of Directors

* *Mrs. Varsha Jain was appointed as member of the CSR Committee in the Board Meeting held on 10th November, 2020. Only one meeting of the CSR Committee was held after that date i.e. on 8th March, 2021.*

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee ("SRC") is constituted in compliance with the provisions of Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

As on 31st March, 2021, the SRC comprised following directors as its members:

i. Ms. Anjali Seth, Chairperson;

ii. Mr. Anurang Jain; and

iii. Mr. Sairajit Ray.

The terms of reference of the Committee are as under:

1. Enquiry into and redressal of grievances of shareholders / security holders and investors of the Company including complaints related to transfer / transmission/ transposition of shares, non-receipt of annual report, non-receipt of declared dividends, general meeting related, etc.

CORPORATE GOVERNANCE REPORT (CONTD.)

2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of service standards of the Registrar and Share Transfer Agent appointed by the Company.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by shareholders of the Company; and
5. Carry out any other function as prescribed under the Listing Regulations, the Companies Act and other applicable law(s).

During the financial year 2020-21, the SRC met thrice *viz.* on 24th June, 2020, 9th November, 2020 and 9th February, 2021. Details of attendance at the SRC meetings are tabulated below:

Sr. No.	Date of Meeting	Category	24th June, 2020	9th November, 2020	9th February, 2021
	No. of Meeting / Name of Directors		7th	8th	9th
1.	Ms. Anjali Seth	Non-executive, Independent			
2.	Mr. Anurang Jain	Managing Director, Executive and Promoter			
3.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive			

- Presence of Directors

Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal, is the Compliance Officer of the Company and acts as Secretary to the Committee.

Investor grievance and other communication:

The communication(s) and/ or correspondence received during the financial year 2020-21, were pertaining to:

a. Non-receipt of Annual Report; and

b. Non-receipt/ revalidation of dividend warrant & interim dividend.

During this period, the Company received and disposed of eight investor queries/ complaints. All the grievances were resolved to the satisfaction of shareholders and other investors, and as on 31st March, 2021, there were no pending issues to be addressed or resolved.

Demat suspense account:

During the financial year 2016-17, the Company offered its equity shares of ₹ 10 each ("Equity Shares") for subscription by the public, by way of Initial Public Offering by way of offer for sale by shareholders. All the equity shares were transferred in dematerialised form and no equity shares remained unclaimed. As on date there are no unclaimed shares, hence, the Company has not opened a Demat Suspense Account.

7. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee ("RMC") of the Company is constituted in compliance with Regulation 21 of the Listing Regulations.

As on 31st March, 2021, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;
ii. Mr. Partho Datta;
iii. Mr. Ramesh Gehaney; and
iv. Mr. Satrajit Ray.

Changes in composition after 31st March, 2021

On 1st May, 2021, Mr. Partho Datta, Non-executive Independent Director ceased to be a member of the RMC due to his sudden and sad demise.

On 19th May, 2021, the Board of Directors co-opted Mr. Indrajit Banerjee, Non-executive Independent Director of the Company, as a member of the RMC.

As on the date of this report i.e. 19th May, 2021, the RMC comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;
ii. Mr. Indrajit Banerjee;
iii. Mr. Ramesh Gehaney; and
iv. Mr. Satrajit Ray.

The terms of reference of the Committee are as under:

i. To review risk management policy;
ii. To oversee implementation of the risk management framework including monitoring of material risks to which the organisation is exposed to and ensuring implementation of appropriate mitigation plan;

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iii. Reviewing the adequacy of the risk management framework and ensuring its effectiveness; and

iv. Such other activities as the Board of Directors may entrust from time to time.

During the financial year 2020-21, the Committee met twice *viz.* on 13th August, 2020 and 8th February, 2021. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	13th August, 2020	8th February, 2021
			4th	5th
1.	Mr. Anurang Jain	Managing Director, Executive and Promoter	✓	✓
2.	Mr. Partho Datta	Non-executive, Independent	✓	✓
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	✓	✓
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	✓	✓

- Presence of Directors

8. OTHER COMMITTEES

Finance Committee

As on 31st March, 2021, the Finance Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman* *(with effect from 9th February, 2021)*;

ii. Mr. Satrajit Ray; and

iii. Mr. Ramesh Gehaney.

** During the year under review, Mr. Naresh Chandra ceased to be Chairman of the Finance Committee, after he resigned as Chairman and Director of the Company.*

The terms of reference of the Committee are as under:

i) To meet the fund requirements of the Company in the following manner:

   a) through borrowings from banks and/ or financial institutions; and

   b) through issuance of Commercial Papers (CPs) to permitted classes of investors;

   up to an aggregate amount not exceeding ₹ 12,500 million.

ii) To undertake following activities relating to admission, listing and withdrawal of CPs on BSE Limited ("BSE") and/ or National Stock Exchange of India Limited ("NSE") (BSE and NSE are collectively referred to as "Stock Exchanges") and National Securities Depository Limited (NSDL) and/ or Central Depository Services (India) Limited ("CDSL") (NSDL and CDSL are collectively referred to as "Depositories"):

   1. to finalise, settle, approve, adopt and withdraw the Information Memorandum for listing of CPs issued by the Company, together with any addenda, corrigenda or supplements thereto ("Information Memorandum") and authorise official(s) to sign the Information Memorandum and take all such actions as may be necessary for filing of these documents including incorporating such alterations/ corrections/ modifications as may be required;

   2. to decide the persons to whom the CPs, as issued from time to time, have to be allotted;

   3. to decide terms and conditions for buy-back of CPs issued from time to time;

   4. to nominate/ appoint/ authorise official(s) or such other person(s) or intermediaries for admission, listing and withdrawal of CPs on the Stock Exchanges and Depositories;

   5. to do all such deeds and acts as may be required and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with Depositories, Registrar and Transfer Agent appointed for purposes of listing of CPs and such other agencies as may be required in this connection, and the power to authorise one or more officers of the Company to execute all or any of the aforestated documents;

   6. to give such confirmations, declarations, certifications on behalf of the Board, as may be required under applicable laws, or as may be otherwise necessary or expedient in relation to the listing of CPs;

   7. to authorise and approve the incurring of expenditure, including the payment of fees, commissions, remuneration and expenses in connection with the listing of CPs;

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8. to do all such acts, deeds, matters and things and execute all such documents, etc. as it may, in its absolute discretion, deem necessary or desirable in connection with the listing of CPs;
9. to execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as it may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the listing of CPs and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Committee shall be conclusive evidence of the authority of the Committee in so doing; and
10. to delegate any of the above powers of the Committee to any of the Directors or officers of the Company.

During the financial year 2020-21, the Committee met twice viz. on 4th June, 2020 and 25th November, 2020. Except Mr. Naresh Chandra, other members were present at the respective meetings of the Committee.

9. GENERAL BODY MEETINGS:

Details of the Annual General Meeting(s) (AGM) of the Company held during the preceding three years are tabulated below:

AGM	Date and time of AGM	Location	Details of special resolution(s) passed at the AGMs, if any
19th AGM	6th September, 2018 at 10.30 a.m.	Tango Hall at Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431003, Maharashtra	• Alteration of Articles of Association; • Approval for continuation of Mr. Naresh Chandra who had attained the age of 83 (Eighty-three) years, to hold office as Non-executive Chairman of the Company with effect from 1st April, 2019.
20th AGM	8th August, 2019 at 2.30 p.m.		No special resolution was passed
21st AGM	23rd September, 2020 at 2.00 p.m.	E-92, MIDC Industrial Area, Waluj, Aurangabad – 431136, Maharashtra#	No special resolution was passed

 # Meeting held through Video conferencing. Registered Office of the Company was the deemed venue of the meeting.

During the financial year 2020-21, no special resolution was passed through postal ballot.

During the current financial year i.e. 2021-22, following special resolutions are proposed for approval of Members by way of postal ballot:

Date of Postal Ballot Notice	Date of commencement and conclusion of Postal ballot	Whether any Special resolution is proposed to be conducted
3rd May, 2021	From 6th May, 2021 to 4th June, 2021	Yes. Resolutions for re-appointment of Non-executive Independent directors viz. Mr. Soumendra Basu, Mr. Roberto Testore and Ms. Anjali Seth, as independent directors for a second term of five consequent years in terms of Section 149 of the Act. This includes approval for continuation of Mr. Soumendra Basu as Non-executive Independent Director and Chairman on the Board of the Company after he attains the age of Seventy Five years.

Procedure for Postal Ballot:

i. Mrs. Sarika Kulkarni, Practicing Company Secretary, has been appointed as scrutiniser for scrutinising the process of postal ballot through remote e-voting;

ii. Dispatch of the Postal Ballot Notice dated 3rd May, 2021, along with Explanatory Statement, to the Members of the Company was completed on 4th May, 2021;

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iii. Remote e-voting through postal ballot commenced on 6th May, 2021 and will conclude on 4th June, 2021;

iv. Based on the Scrutiniser's Report, the results of the remote e-voting shall be declared not later than Sunday, 6th June, 2021.

10. MEANS OF COMMUNICATION:

During the year under review, the Company published its financial results in Financial Express and Loksatta.

In addition to the dissemination of financial results in newspaper publications, the senior management team of the Company also conducts conference call after the Board Meetings, with investors/analysts on the results published and to give update on the operations and financial performance of the Company.

The Company informs the Stock Exchanges, in a prompt manner, all price sensitive information and such other matters which, in its opinion, are material and relevant for the shareholders.

The Company's website link, www.endurancegroup.com/investor-relations, contains information as prescribed under the Act and the Listing Regulations, including details of the contact person(s), Registrar and Transfer Agent of the Company, shareholding pattern, etc. Information published by the Company i.e. financial results, press release given are also available on Company's website. Further, all press releases, transcripts of conference calls and other communications to Stock Exchanges, are also uploaded on the Company's website.

11. GENERAL SHAREHOLDER INFORMATION:

a) Twenty Second Annual General Meeting:

In terms of general circular no. 02/2021 dated 13th January, 2021, the Twenty Second Annual General Meeting ("AGM") will be held by Video Conferencing ("VC") or other audio visual means ("OAVM"). The date, time and venue of the AGM of the Company is provided hereunder:

Date:	Wednesday, 25th August, 2021
Time:	3.00 p.m.
Venue:	Meeting is through VC/OAVM and as such there is no requirement to have a venue for the AGM. For details, kindly refer to the Notice of AGM.

b) Financial Year *(indicative and subject to change):*

Particulars	Date
Financial reporting for the:	
1st quarter ending on 30th June, 2021	On or before 14th August, 2021
2nd quarter ending on 30th September, 2021	On or before 14th November, 2021
3rd quarter ending on 31st December, 2021	On or before 14th February, 2022
Financial year ending on 31st March, 2022	On or before 30th May, 2022

c) Date of dividend payment: The dividend, if declared by the shareholders at the Twenty Second AGM, shall be paid on or after 30th August, 2021 but on or before 23rd September, 2021.

d) Listing on Stock Exchanges:

Equity Shares of face value of ₹ 10/- each of the Company are currently listed on the following Stock Exchanges:

Sr. No.	Name	Address	Stock Code
1.	BSE Limited (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540153
2.	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	ENDURANCE

The listing fee payable to NSE and BSE, for the financial year 2021-22, has been paid in full on 27th April, 2021.

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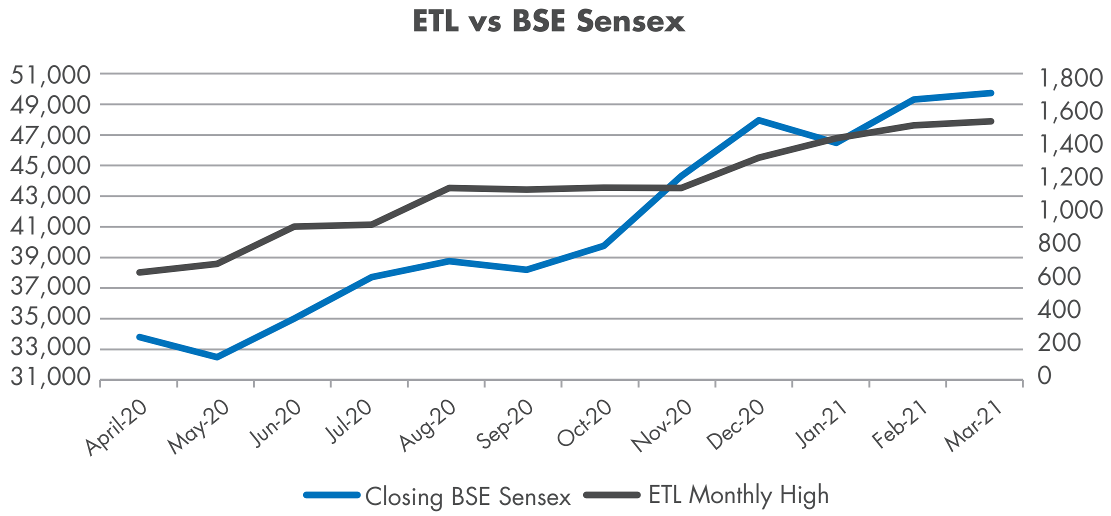
e) Market Price Data:

Monthly highs and lows of Company's shares during FY 2021-22 (₹ *vis-à-vis* CNX Nifty & BSE Sensex):

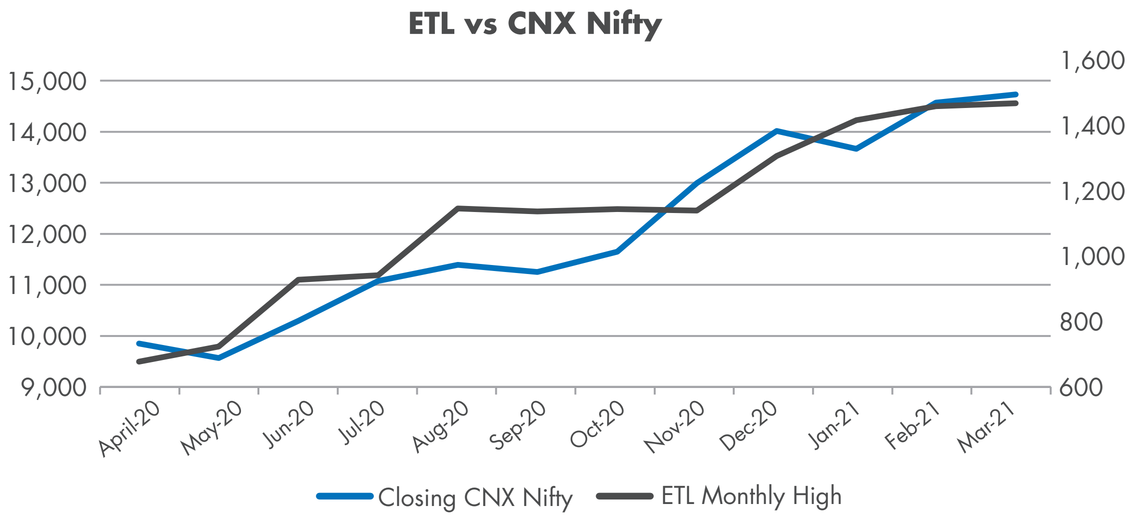
Month	BSE		NSE		Closing CNX Nifty	Closing BSE Sensex
	High	Low	High	Low		
Apr-20	683.70	562.00	685.00	564.50	9,859.90	33,717.62
May-20	734.05	602.00	734.00	601.00	9,580.30	32,424.10
Jun-20	951.00	728.45	950.00	727.05	10,302.10	34,915.80
Jul-20	962.10	856.55	964.40	856.20	11,073.45	37,606.89
Aug-20	1,175.45	905.90	1,180.00	905.00	11,387.50	38,628.29
Sep-20	1,166.00	1,020.70	1,170.00	1,019.95	11,247.55	38,067.93
Oct-20	1,176.90	976.00	1,178.30	974.95	11,642.40	39,614.07
Nov-20	1,175.00	1,022.20	1,173.65	1,020.00	12,968.95	44,149.72
Dec-20	1,351.55	1,111.00	1,350.00	1,107.35	13,981.75	47,751.33
Jan-21	1,464.70	1,290.00	1,465.00	1,289.15	13,634.60	46,285.77
Feb-21	1,540.00	1,325.50	1,510.00	1,325.00	14,529.15	49,099.99
Mar-21	1,517.00	1,371.50	1,519.95	1,370.75	14,690.70	49,509.15

The charts below show the comparison of the Company's share price (monthly high) movement vis-à-vis the movement of the BSE Sensex and CNX Nifty for the financial year 2020-21 (based on month end closing).

Endurance Technologies Limited Vs BSE Sensex, indexed to 100 on 31st March, 2021



Endurance Technologies Limited Vs CNX Nifty, indexed to 100 on 31st March, 2021



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f) **Registrar and Share Transfer Agent:**

The Company vide Agreement dated 15th October, 2016 has appointed the following agency to act as its Registrar and Share Transfer Agent ("RTA"). The RTA is, *inter alia*, responsible for processing of requests pertaining to issue of duplicate share certificates/ transmission/ dematerialisation/ rematerialisation and other activities related thereto for both electronic and physical shareholdings. Further, RTA also handles corporate actions such as data requirements for conduct of AGMs, dividends, etc. The RTA corresponds with the depositories viz. NSDL and CDSL, in this regard. Address of the RTA is:

Link Intime India Private Limited

C 101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060

g) **Share Transfer System:**

As per the mechanism defined, any requests for transfer of equity shares held in physical form, received by the RTA/Company have to be registered within fifteen days from the date of receipt, provided the documents are complete in all respects.

As on 31st March, 2021, the Company has only three shareholders who hold shares in physical form.

SEBI has standardised norms for transfer of securities in physical mode and decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository and are effective from 1st April, 2020.

h) **Distribution of Shareholding:**

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on 31st March, 2021.

Category Distribution:

Categories	31st March, 2021	
	No. of shares	Percentage
Promoter	43,396,976	30.85%
Promoter Group	62,100,160	44.15%
Foreign Portfolio Investors (Corporate)	13,846,798	9.84%
Mutual Funds	13,316,403	9.47%
Other Bodies Corporate	6,185,408	4.40%
Public	1,817,103	1.29%
Total	**140,662,848**	**100%**

Distribution of Shareholding as on 31st March, 2021:

No. of shares held	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	49,166	98.72%	1,432,186	1.02%
501 to 1000	238	0.48%	177,380	0.13%
1001 to 2000	105	0.21%	156,971	0.11%
2001 to 3000	40	0.08%	98,770	0.07%
3001 to 4000	20	0.04%	69,326	0.05%
4001 to 5000	16	0.03%	73,228	0.05%
5001 to 10000	44	0.09%	329,830	0.23%
10001 and above	172	0.35%	138,325,157	98.34%
Total	**49,801**	**100%**	**140,662,848**	**100%**

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i) Dematerialisation/Rematerialisation of Shares and liquidity:

The Company's shares are compulsorily tradable in dematerialised form on BSE and NSE, which provide sufficient liquidity to the investors. The Company has established connectivity with both the depositories i.e. NSDL and CDSL.

Shares held in physical and electronic mode as on 31st March, 2021 are given in the table below:

Particulars	Position as on 31st March, 2021	
	No. of shares	**% to total shareholding**
Physical	23	0.00%
Dematerialised		
NSDL	138,929,571	98.77%
CDSL	1,733,254	1.23%
Sub-total	140,662,825	100%
Total	**140,662,848**	**100%**

j) Outstanding Convertible Instruments/ADRs/GDRs/Warrants:

The Company has not issued any convertible instruments/ ADRs/ GDRs/ Warrants.

k) Commodity price risk or foreign exchange risk and hedging activities:

Please refer to Management Discussion and Analysis Report for the same. The Company has a Board approved Forex Risk Management Policy which lays down the principles for hedging of forex risk.

l) Address for correspondence:

Investors and shareholders can correspond with the RTA or at registered office of the Company at the following addresses:

Link Intime India Private Limited (RTA)	Company
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083, Maharashtra Telephone - +91 22 49186000 Facsimile - +91 22 49186060 For requests pertaining to dematerialisation/ rematerialisation: Contact person: Mr. Chetan Choudhary E-mail: dematremat@linkintime.co.in For grievance redressal and other requests: Contact person: Mr. Jaiprakash E-mail: rnt.helpdesk@linkintime.co.in	E-92, MIDC Industrial Area, Waluj, Aurangabad – 431 136, Maharashtra Contact person: Mr. Sunil Lalai, Company Secretary and Executive Vice President – Legal and Compliance Officer Telephone: +91 (240) 2569600 Facsimile: +91 (240) 2551700 E-mail: investors@endurance.co.in

m) Plant Locations:

The Company has plants located at:

Sr. No.	Plant Address	Sr. No.	Plant Address
1.	Plot No. B-2, MIDC Industrial Area, Waluj, Aurangabad - 431136 Maharashtra.	2.	Plot No. E-92 & 93, MIDC Industrial Area, Waluj, Aurangabad - 431136 Maharashtra.
3.	Plot No. K-120, MIDC Industrial Area, Waluj, Aurangabad - 431136 Maharashtra.	4.	Plot No. K-226/1 & K-227, MIDC Industrial Area, Waluj, Aurangabad - 431136 Maharashtra.
5.	Plot No. K-226/2, MIDC Industrial Area, Waluj, Aurangabad - 431136 Maharashtra.	6.	Plot No. K-228 & K-229, MIDC Industrial Area, Waluj, Aurangabad - 431136 Maharashtra.
7.	Plot No. L-6/3, MIDC Industrial Area, Waluj, Aurangabad - 431136 Maharashtra.	8.	Plot No. L-20, MIDC Industrial Area, Vitawa Village, Gangapur, Tal. Aurangabad - 431109 Maharashtra.

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Sr. No.	Plant Address	Sr. No.	Plant Address
9.	Plot No. B-1/2 & 1/3, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410501 Maharashtra.	10.	Plot No. B-20, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410501 Maharashtra.
11.	Plot No. B-22, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410501 Maharashtra.	12.	Plot No. 3, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263153 Uttarakhand.
13.	Plots No. 7, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263153 Uttarakhand.	14.	Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Shriperumbudur Taluk, Dist. Kancheepuram, Chennai - 602105 Tamil Nadu.
15.	Plots No. E4 & E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad - 382110 Gujarat.	16.	Plot No. 103/6, GIDC, Halol -2 & Halol Maswad Industrial Estate, Tal – Halol, Dist. Panchmahal - 389350 Gujarat.
17.	Survey Nos. 28/4A, 28/4B, 28/5, 28/6, 28/7, 28/8 & 34/5, within village limit of Karinayakanahalli, Kasaba Hobli, Malur Taluka, Kolar District- 563130 Karnataka.	18.	G -102 & 103, SIPCOT Industrial Park, Vallam Vadagal Scheme, Village Vallam, Sriperumbudur, Dist. Kancheepuram, Chennai – 602105 Tamil Nadu.

12. OTHER DISCLOSURES:

a) Related party transactions:

Please refer the Board's Report for the related party transactions ("RPTs") (entered into by the Company, during the year under review, which attracted the provisions of Section 188 of the Act.) There is no material RPT to be reported in terms of Regulation 23 of the Listing Regulations and hence there are no details to be disclosed in Form AOC-2. During the year, there were no material transactions entered into with related parties, which may have had any potential conflict with the interests of the Company.

During the year, as required under Section 177 of the Act and Regulation 23 of the Listing Regulations, all RPTs were placed before the Audit Committee for approval. A statement tabulating the value and nature of transactions with related parties as required under Indian Accounting Standard (Ind AS) 24 is set out separately under Note no. 34 to the standalone financial statements in this Annual Report.

The 'Policy on Determining Materiality of and Dealing with Related Party Transactions' is placed on Company's website at www.endurancegroup.com/investor-relations.

b) Details of Capital Market Non-Compliance(s), if any:

There has been no non-compliance by the Company nor has there been any penalty/stricture imposed on the Company by any stock exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

c) Whistle Blower Policy/Vigil mechanism:

Pursuant to Section 177(9) of the Act, the Company has a Board adopted Whistle Blower Policy. The Whistle Blower Policy includes vigil mechanism as mandated under the Listing Regulations and provides a mechanism for director/employee to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct of Director and Senior Management Personnel and Endurance Code of Conduct for Employees, leak / suspected leak of Unpublished Price Sensitive Information etc. which could be detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee' has been denied access to the Audit Committee.

The updated Policy is placed on the Company's website at www.endurancegroup.com/investor-relations.

d) Disclosure of material transactions:

In terms of Regulation 26(5) of the Listing Regulations, Senior Management gives disclosure to the Board relating to all material financial and commercial transactions, if any, where they had personal interest that might have been in potential conflict with the interest of the Company. Based on disclosures received none of the officials in senior management team of the Company have personal interest in any financial or commercial transactions that may have potential conflict with the interest of the Company.

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e) **Disclosure of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

No. of complaints filed during financial year	5
No. of complaints disposed of during the financial year	4
No. of complaints pending during the financial year	1*

** The inquiry and investigation of the complaint has been completed and the Internal Committee is in the process of concluding the same.*

f) **Fee paid to Statutory Auditors:**

During the year the Company has not paid any other fee to M/s. S R B C & Co. LLP, Statutory Auditors, except fee for Statutory Audit. Please refer Note 23.01 of the Standalone Financial Statements for details of the fee paid to Statutory Auditors.

g) **Compliance of Mandatory and Discretionary Requirements:**

Mandatory:

The Company has complied with the mandatory requirements of the Listing Regulations.

Discretionary:

I. **The Board:**

The Company has a Non-executive Independent Director as Chairman.

II. **Shareholders' rights:**

To ensure dissemination of Company's financial results to its shareholders, the Company publishes quarterly, half-yearly, and annual results in newspapers having wide circulation in India and particularly in Aurangabad, where the registered office of the Company is located. These results are also filed with Stock Exchanges and uploaded on Company's website immediately after the Board meeting. The Company also conducts conference call to respond to any investor queries with regard to the financial results or operations of the Company.

III. **Modified opinion(s) in audit report:**

The Company confirms that its financial statements are with unmodified audit opinion.

IV. **Reporting of Internal Auditor:**

The Internal Auditor reports directly to the Audit Committee.

h) **Subsidiary companies:**

The Company had six overseas subsidiaries, as at 31st March, 2021 *viz.*

Sr. No.	Name	CIN/ GLN	Type of subsidiary pursuant to Regulation16(1)(c) of Listing Regulations. i.e. [Material or otherwise]
1.	Endurance Overseas Srl, Italy (EOSRL)	N.A.	Material*
2.	Endurance SpA, Italy	N.A.	Otherwise
3.	Endurance Engineering Srl, Italy	N.A.	Otherwise
4.	Endurance Castings SpA, Italy	N.A.	Otherwise
5.	Endurance Adler SpA, Italy**	N.A.	Otherwise
6.	Endurance Amann GmbH, Germany (Amann)	N.A.	Otherwise

N.A. = Not Applicable.

** EOSRL and Amann are the direct subsidiaries of the Company. EOSRL is the holding company of Endurance SpA, Endurance Engineering Srl, Endurance Castings SpA and Endurance Adler SpA. Based on consolidated financial statements of FY 2020-21, in terms of Regulation 16(1)(c) of Listing Regulations, EOSRL is the material subsidiary of the Company.*

***During the year under review, EOSRL acquired 99% stake in Adler SpA, Italy effective from 15th April, 2020 and name of the acquired entity was later changed to Endurance Adler SpA ("EA SpA"). EA SpA has two wholly-owned subsidiaries, viz. Adler RE Srl, Italy and VS San Marino Srl, San Marino.*

During the year under review, EA SpA acquired 100% stake in Grimeca Srl, Italy effective 21st May, 2020.

Effective 1st January, 2021, Adler RE Srl and Grimeca Srl merged with EA SpA.

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Materiality threshold:

The Company's Policy for Determining Material Subsidiaries is placed on the Company's website at www.endurancegroup.com/investor-relations.

Independent Director on the Board of Material Subsidiary(ies):

In terms of Regulation 24(1) of the Listing regulations, at least one independent director on the Board of the Company is required to be appointed on the board of directors of its 'material' subsidiary(ies). Accordingly, Board at its meeting held on 7th February, 2019 approved the appointment of Mr. Roberto Testore, Independent Director on the Board of material subsidiaries *viz.* Endurance Overseas Srl, Italy and Endurance SpA, Italy.

Provisions to the extent applicable under the Listing Regulations with reference to subsidiary companies were duly complied.

During the year under review, there were no investments made or any significant transactions and arrangements entered into by the subsidiary companies, except the following:

a. Acquisition of Adler SpA, Italy by Endurance Overseas Srl, Italy ("EOSRL"):

   EOSRL, a direct subsidiary of the Company, purchased controlling equity stake of 99% in Adler SpA. Italy and the name of the entity was subsequently changed to Endurance Adler SpA ("EA SpA"). The effective date of acquisition was 15th April, 2020. For details kindly refer the Board's Report.

b. Acquisition of Grimeca Srl, Italy by Edurance Adler SpA, Italy:

   Endurance Adler SpA, Italy ("EA SpA") acquired 100% stake in Grimeca Srl, ("Grimeca") Italy on 21st May, 2020, in addition to the stake in Grimeca's Capital, EA SpA also acquired its technical know how and intellectual property rights, and the "G Grimeca" brand. For details kindly refer the Board's Report.

i) **Policy on dealing with related party transactions:**

A Policy on Determining Materiality of and Dealing with Related Party Transactions is placed on the Company's website at www.endurancegroup.com/investor-relations.

j) In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Company has submitted, on a quarterly basis, Reconciliation of Share Capital Audit Report, duly audited by a Practicing Company Secretary, to the Stock Exchanges. This audit report confirms reconciliation of share capital held in depositories i.e. NSDL & CDSL and in physical form with the issued and listed share capital.

Pursuant to Regulation 7(3) of the Listing Regulations, the Company had obtained half-yearly certificate, from a Practicing Company Secretary, confirming that its Registrar and Share Transfer Agent, Link Intime India Private Limited is maintaining all activities in relation to both physical and electronic share transfer facility.

13. A DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE UNDER REGULATIONS 17 TO 27 OF THE LISTING REGULATIONS EXCEPT THOSE WHICH ARE ALREADY DISCLOSED ELSEWHERE IN THIS REPORT:

i. Orderly succession to Board and Senior Management:

In terms of Regulation 17(4) of the Listing Regulations, the Company has a process established for succession planning of the executive directors and senior management team.

The Company adopts a competency-based approach by identifying critical roles and coaching employees to shoulder such critical positions. This ensures succession planning with an aim to align with Company's growth and strategic plans, employee engagement and skill-development. The progress of such employees is monitored through structured individual development plans and the same is periodically reviewed by senior management team comprising the Managing Director, respective Management Committee member and the Chief Human Resources Officer.

ii. Information supplied to the Board:

Ahead of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those which are critical and require deliberation for arriving at a decision. Presentations are also made to the Board by function heads concerned on important

CORPORATE GOVERNANCE REPORT (CONTD.)

matters from time to time. In addition to items which are required to be placed before the Board for its noting and/or approval, information is provided in terms of the Listing Regulations on various other significant matters.

In terms of quality and importance, the information supplied by Management to the Board, is precise and crisp with relevant details that are necessary for the directors to enable them fulfil their duties. The independent directors of the Company at their meeting held on 9th November, 2020 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

iii. Compliance Certificate:

The Managing Director and the Director and Group Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8), read with Part B of Schedule II to the Listing Regulations.

iv. Performance evaluation of Independent Directors:

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, for the financial year 2020-21, the Board has carried out annual performance evaluation of Independent Directors, at its meeting held on 23rd April, 2021. The Board acknowledged that each of the Independent Directors effectively contributed in strengthening the performance of the Board and respective Committees.

In terms of Section 149 read with Schedule IV to the Act, on the basis of the report of performance evaluation, the Board has to determine whether to extend or continue the term of appointment of Independent Director(s). During the year under review, there was no such occasion to decide on the extension or continuance of the term of appointment of any of the Independent Directors and hence, the question of taking a decision, in this regard, did not arise.

v. Independent Directors' Meeting:

In compliance with Schedule IV to the Act and Regulation 25(3) of the Listing Regulations, the Independent Directors held a separate meeting on 9th November, 2020 without the attendance of non-independent directors and management. Agenda of the said meeting was to:

a. review the performance of Non-Independent Directors and the Board, as a whole; and

b. assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

vi. Report on Corporate Governance:

This section, read together with the information given in the Board's Report, Management Discussion and Analysis section and General Shareholder Information, constitute the compliance report on Corporate Governance during the year. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the Listing Regulations.

13. B DISCLOSURES UNDER CLAUSES (B) TO (I) OF REGULATION 46(2) OF THE LISTING REGULATIONS:

i. Terms and Conditions of appointment of Independent Directors:

The Board had incorporated the terms and conditions for appointment of Independent Directors in the manner as provided in the Act in a formal letter of appointment to Independent Directors.

As per regulation 46(2) of the Listing Regulations, a draft letter of appointment to independent directors containing the terms and conditions of appointment is placed on the Company's website at www.endurancegroup.com/investor-relations.

ii. Composition of various Committees:

The Board had constituted following Committees pursuant to the provisions of the Act and the Listing Regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee; and
- Risk Management Committee.

The details of the composition of the aforesaid Committees are given earlier in this report and also placed on the Company's website at www.endurancegroup.com/investor-relations.

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iii. Code of Conduct for Board of Directors and Senior Management Personnel

Regulation 17(5) of the Listing Regulations requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Act.

As required under aforesaid regulation, the Board at its meeting held on 13th November, 2013 had adopted a Code of Conduct for Directors and Employees of the Company.

Subsequently, the Board at its meeting held on 10th November, 2020 adopted a revised Code of Conduct for Directors and Senior Management Personnel of the Company and the same has been placed on the website of the Company at www.endurancegroup.com/investor-relations.

The Company has also framed and implemented Endurance Code of Conduct for Employees of the Company.

All the Board Members, senior management personnel and employees of the Company have affirmed compliance with the respective Codes of Conduct for 2020-21. A declaration to this effect, signed by the Managing Director, is given in this Annual Report.

iv. Whistle Blower Policy/Vigil mechanism:

Refer item no. "12 (c)" of this report.

v. Criteria of making payments to Non-executive Directors:

Refer item no. "4(ii)" of this report.

vi. Policy for determining 'material' subsidiaries:

Refer item no. "12(h)" of this report.

vii. Policy on dealing with related party transactions:

Refer item no. "12(i)" of this report.

viii. Details of familiarisation programmes imparted to independent directors:

Refer item no. "2(f)" of this report.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF THE LISTING REGULATIONS.

The Company has obtained a Report on compliance with the conditions of Corporate Governance from the Statutory Auditors as per the provisions of Chapter IV of the Listing Regulations. This report is annexed to the Board's Report and will be sent to the Stock Exchanges, along with the Annual Report to be filed.

BUSINESS RESPONSIBILITY REPORT

Endurance Technologies Limited (the "Company") is committed to long term value creation for all its stakeholders. The Company's governance philosophy is focused on ethical and responsible conduct of business with accountability.

The Business Responsibility Report ("BRR") is a disclosure of our non-financial performance for the year. Through this report, the Company communicates its progress on BRR principles that are mandated by the Securities and Exchange Board of India ("SEBI").

SECTION A: GENERAL INFORMATION

1.	Corporate Identity Number (CIN)	L34102MH1999PLC123296
2.	Name of the Company	Endurance Technologies Limited
3.	Registered address	E-92, MIDC Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra
4.	Website	www.endurancegroup.com
5.	E-mail ID	investors@endurance.co.in
6.	Financial Year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Auto Components
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Aluminium die-cast products (including aluminium alloy wheels), suspension products, braking systems and transmission products, predominantly for 2-Wheelers and 3-Wheelers
9.	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major 5) ii. Number of National Locations	The Company has eighteen plants in India at following locations: i. Waluj, Aurangabad (Maharashtra); ii. Chakan, Dist. Pune (Maharashtra); iii. Irungattaukottai, Sriperumbudur Taluk, Kancheepuram Dist., Chennai (Tamil Nadu); iv. Vallam, Sriperumbudur Taluk, Kancheepuram Dist., Chennai (Tamil Nadu); v. Pantnagar (Uttarakhand); vi. Sanand, Ahmedabad (Gujarat); vii. Halol, Dist. Panchmahal (Gujarat); viii. Kolar (Karnataka). As on 31st March, 2021, the Company had six subsidiaries in Europe operating through nine plants in Italy and Germany.
10.	Markets served by the Company – Local/State/ National/International	The Company and its subsidiary companies cater to two, three and four wheeler Original Equipment Manufacturer (OEM) customers, in their respective geographies. The Company also exports to OEMs and caters to retail market in India and abroad.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1.	Paid up Capital:	₹ 1,406.63 million
2.	Total Turnover:	₹ 47,865.83 million
3.	Total profit after taxes (PAT):	₹ 3,921.99 million
4.	Total spending on Corporate Social Responsibility ("CSR") (as % of PAT):	The total amount spent for the financial year 2020-21 on CSR was ₹ 111.46 million, out of which ₹ 60 million was towards projects and programmes approved by the Board of Directors, ₹ 50 million being contribution to PM CARES Fund made on 31st March, 2020 and ₹ 1.46 million was administrative overheads. This CSR amount spent is 2.84% of the PAT for the year ended 31st March, 2021.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

5. List of activities in which CSR expenditure has been incurred: The Company's CSR initiatives are focused around following broad areas, *viz;*

   (a) Village Development Projects with a thrust on promoting education, health & nutrition, agriculture oriented initiatives & means of livelihood, water & sanitation and community development;

   (b) Develop skill building through vocational training at Endurance Centre of Vocational Empowerment;

   (c) Support in the running of Sevak Trust *Balwadi*; and

   (d) Undertaking relief measures relating to COVID-19 pandemic.

   For details kindly refer Annexure II– 'Annual Report on CSR Activities' to the Board's Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	As on 31st March, 2021, the Company had six subsidiaries: **Italy** 1. Endurance Overseas Srl (Direct Subsidiary); 2. Endurance SpA (Indirect Subsidiary#); 3. Endurance Engineering Srl (Indirect Subsidiary#); 4. Endurance Castings SpA (Indirect Subsidiary#); and 5. Endurance Adler SpA (Indirect Subsidiary#) #Holding through Endurance Overseas Srl **Germany** 6. Endurance Amann GmbH (Direct Subsidiary).
2.	Do the subsidiary Company/ Companies participate in the Business Responsibility ("BR") Initiatives of the parent Company?	The overseas subsidiary companies have autonomy in operations. They abide by the principles of BR and Environmental, Social & Governance ("ESG"), as per the local laws applicable to them.
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	The BR initiatives of the Company are limited to its own operations. The suppliers, distributors and other entities, with which the Company does business and / or avails services, are governed by the 'Code of Conduct for Suppliers, Service Providers and Contractors' of the Company. This code aims to build strong culture with right business ethics. It helps the Company ensure that all the suppliers, service providers and contractors conduct business in line with the Company's values and principles. Existing suppliers, service providers and contractors have given a written affirmation of adherence to the above-mentioned code. New entities are only enrolled after affirmation of compliance at the time of engagement.

SECTION D: BR INFORMATION

1. Details of the Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy(ies):

Sr. No.	Particulars	Details
1.	DIN	00291662
2.	Name	Mr. Anurang Jain
3.	Designation	Managing Director

BUSINESS RESPONSIBILITY REPORT (CONTD.)

(b) Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	00291662
2.	Name	Mr. Anurang Jain
3.	Designation	Managing Director
4.	Telephone number	+91 240 2569600
5.	E-mail id	corporate@endurance.co.in and vjr@endurance.co.in

2. Principle-wise BR Policy/policies, as per National Voluntary Guidelines (NVGs)

Principle No.	Requirement
1.	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.
2.	Businesses should provide goods and services in a manner that is sustainable and safe.
3.	Businesses should respect and promote the well-being of all employees, including those in their value chains.
4.	Businesses should respect the interests of and be responsive to all its stakeholders.
5.	Businesses should respect and promote human rights.
6.	Businesses should respect, and make efforts to protect and restore the environment.
7.	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
8.	Businesses should promote inclusive growth and equitable development.
9.	Businesses should engage with and provide value to their consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7**	P8	P9
1.	Availability of Policy*	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Policy formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Conformity of policy to any national / international standards?	All policies are in conformity with the National Voluntary Guidelines and applicable laws and regulations.								
4.	Policy approved by the Board	Y	Y	Y	Y	Y	Y	N	Y	Y
	Policy signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	Y
5.	Specified committee of the Board/ Director/ Official, appointed to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6.	Indicate the link for the policy to be viewed online#	Relevant external policies are available at www.endurancegroup.com/investor-relations								
7.	Policy communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	N	Y	Y
8.	Existence of an in-house structure within the Company to implement the policy/policies.	Y	Y	Y	Y	Y	Y	N	Y	Y
9.	Availability of a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies	Y	Y	Y	Y	Y	Y	N	Y	Y
10.	Assessment by an internal/external agency of the working of this policy	Y	Y	Y	Y	Y	Y	N	Y	Y

* *Policy(ies) include defined standard operating procedures (SOPs).*

** *The management of the Company engages in public policy through industry associations only.*

Internal Policies and SOPs are available on internal portal 'e-swagat' which is accessible only to employees.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	✓	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BRR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year

The BR performance of the Company is reviewed by the Board on an annual basis. The Managing Director and the senior management team review the performance of various BR parameters periodically, based on relevance.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes Business Responsibility Report annually, along with the Annual Report. The Annual Report of the Company is available at www.endurancegroup.com/investor-relations.

PRINCIPLE 1: INTEGRITY ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Values form the core foundation and define the ethos and culture of any company. They provide guidance to deal with business issues and are at the fore while formulating and implementing strategies, policies, and procedures. Corporate values and accountability are critical for the sustainability of any enterprise.

Endurance is guided by five core values coined as 'CITTI':

C = Customer Centricity

I = Integrity

T = Team Work

T = Transparency

I = Innovation

These values are instilled across all levels in the Company through training programmes. This enables the Company to continuously improve the governance framework.

Q1. Does the policy relating to ethics, bribery and corruption cover only the Company?

The Company and its subsidiaries are committed to upholding the highest standards of business integrity and ensuring compliance with applicable regulation(s) and best international practices.

During the year under review, it was considered prudent to segregate the Code applicable for employees and for the Directors and Senior Management Personnel. Accordingly, the Company framed and implemented a new set of codes, viz. Code of Conduct for Directors and Senior Management Personnel and a Code of Conduct for the Employees, superseding the existing Code of Conduct for Directors and Employees. The codes are aligned to Company's values and best industry practices.

Both the codes articulate the values that the Company wishes to foster at all levels and define desired behavior. The objective of the reframed codes is also to bring better clarity and sharper focus on duties & responsibilities and the do's & don'ts with an emphasis on ethical aspects and fulfilment of fiduciary obligations. The codes also enable achieve conformity with the mission, values and goals of the organisation and guide its employees to imbibe ethical behavior and encourage compliance at all levels.

The Code of Conduct for Directors and Senior Management Personnel is available on the website of the Company at www.endurancegroup.com/investor-relations. The Code of Conduct for the Employees, is available on Company's internal portal '*e-swagat*'.

The Company also has a Whistle Blower Policy which provides, amongst other matters, a mechanism for directors and employees to report unethical behavior,

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suspected or actual fraud, and violation to its Codes of Conduct that could be detrimental to the Company and/or its stakeholders. The policy protects a whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Audit Committee reviews matters related to the Code of Conduct for Directors and Senior Management Personnel as well as the Whistle Blower Policy on a quarterly basis. For more details, refer the Company's Whistle Blower Policy available at www.endurancegroup.com/investor-relations.

Further, suppliers, service providers and contractors of the Company are governed by the 'Code of Conduct for Suppliers, Service Providers and Contractors' ("Code"). The Code emphasises on equitable treatment of its workforce; commitment to ensure safe, healthy and sustainable environment-friendly workplace; zero tolerance towards statutory non-compliance; ethical conduct of business and avoiding conflict of personal interest; protection of Company's confidential information & intellectual property and prohibition of insider trading. Any violation of the principles and requirements set out in the Code shall expose such vendor to disciplinary action. All new vendors are mandated to affirm the acceptance of this Code before any business relationship is initiated by the Company.

All existing business partners have given written affirmation of their commitment to the Code.

Q2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

We have both structured as well as unstructured mechanisms for engaging with our stakeholders. In the reporting year, all grievances were satisfactorily resolved.

PRINCIPLE 2: SAFE AND SUSTAINABLE GOODS AND SERVICES

Sustainable Product Life-cycle management involves in-depth analysis of all processes and systems from the stage of receiving RFQs till the products/services reach the end consumer. The Company's objective is profitable growth by implementation of systems and manufacturing processes that minimise environmental impact while conserving energy and natural resources. The Company has taken focused initiatives in weight reduction of components, material substitution with safer materials and increasing the percentage of recycled input (raw) material. Practices have also been adopted for recycling of waste generated. In addition, the Company is embracing sustainable procurement practices. The manufacturing plants are located in proximity to its OEMs to reduce the carbon footprint associated with indirect greenhouse gas emissions.

The management professes continuous improvement of its processes and ensures regular review of its products and performance to achieve sustainable manufacturing.

Q1&2 - List up to three products, whose design has incorporated social or environmental concerns, risks and/ or opportunities. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Weight reduction of casting components

Weight reduction of casting components has helped in reducing unsprung mass which gives better ride performance of vehicle. Company has reduced wall thickness of certain castings which reduces the weight of casting without losing its inherent strength and mechanical properties.

Further, we have adopted casting product designs which result in higher yields by reducing the content of metal required for the metal flow to make the parts/ components. Higher yield has led to reduction in the energy requirements in the melting process.

The cumulative weight reduction will lead to decrease in greenhouse gas emissions of 2-Wheelers and 3-Wheelers.

ii. Suspension components for 2-Wheelers

a) Changed design for fork bolt from hexavalent to trivalent.

b) Optimised wire diameters on spring components.

c) Implemented Value Analysis/ Value Engineering (VA/VE) measures.

d) Reduced the percentage of Hydrochloric acid (HCL acid) by 90% in etching tank in Nickel-Chromium ("Ni-Cr") plating shop.

e) Replaced Ni-Cr plating with powder coating for outer springs and outer tube in shock absorbers.

f) Switched from solvent-based paint shop to powder coating leading to reduction in VOC (Volatile Organic Compound) and also reduction in generation of hazardous waste.

g) Installed inert gas flooding system in the paint shop as an added safety measure.

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h) Improved fuel efficiency for wet processes through various initiatives.

i) Highly effective pneumatic conveying systems have been installed for better safety measures on grinding processes.

j) Installed LPG fired system instead of diesel fired in powder coating shop oven to reduce carbon footprint as well to save energy cost.

k) Reduced consumption of PNG used in the process of plating, powder coating and painting by installing magnetic resonator.

iii. Braking systems

a) Upgraded existing manufacturing platforms to state-of-the-art dust-free assembly lines which meet high level of contamination free and clean child parts assembled on calipers and master cylinders.

b) Improved ozone resistance of rubber components to enhance product life.

c) Use of alternate non-hazardous material such as:

- Material disc brake calipers with asbestos free brake pads;
- Lead free aluminium pistons for disc brake systems; and
- Asbestos free brake shoes for drum brakes.

d) Introduced compound brake hoses (combination of rubber and steel pipe) for enhanced product safety, life and performance.

e) High pressure deburring of internal portions of master cylinder for better seal life and enhanced safety to the rider.

iv. Transmission

a) Adopted paper friction technology to increase life and performance of clutch, as well as to eliminate hazardous processes like gluing, chemical mixing and handling.

b) Yield improvement in paper friction plates by reducing paper waste on petal pasting machine by modifying paper feeder unit mechanism. This resulted in reduction of paper material consumption.

c) Energy conservation initiatives are taken for reduction of furnace oil consumption by installation of magnetic resonator and fitch fuel catalyst on melting furnace.

d) Implemented VA / VE measures by reducing diameter of clutches as well as reducing one 'friction plate'. This resulted in reduction of material consumption of alloy and composite material.

The Company manufactures components (with variations to suit requirements of respective OEM) under each product portfolio. Social and environmental concerns are given high consideration in all activities and decisions during the manufacturing processes.

In addition to the initiatives listed above, various organisation wide measures are being taken towards making our manufacturing processes and products sustainable. They include:

a) Use of cleaner fuels such as Piped Natural Gas (PNG) in place of furnace oil in die-casting activity has been increased, which is an environment friendly burning fuel, on account of very low level of emission.

b) Undertaken measures to drive carbon neutrality by reducing emission of Carbon Dioxide (CO_2) through reduction of electricity and fuel consumption. Simultaneously, in order to reduce the emission of CO_2 the Company is also exploring and leveraging alternate sources of electricity through solar and wind power, and encouraging/ promoting tree plantation.

c) Installation of solar panels on the roof-tops to generate electricity (for saving in terms of electricity generated, please refer Annexure I of the Board's report).

d) Installation of 'Smart Temperature Controller' to optimise power consumption for manufacturing processes.

e) Implementation of systems to ensure zero liquid discharge in a few manufacturing locations.

f) Implementation of OCEMS (Online Continuous Effluent Monitoring System) for online monitoring of effluent and water recycling.

g) Installation of advanced effluent treatment plants ("ETP") and sewage treatment plants ("STP") for water treatment to ensure that the effluent discharge does not exceed the permissible limits. Monitoring of parameters by the Health, Safety and Environment

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(HSE) team, external agency (appointed by the Company) and Pollution Control Boards (PCB) of respective States, where the plants are located.

h) Reduction in water usage by reusing treated water from ETP for cooling tower and that from STP for non-potable use.

i) Initiatives aimed at reducing the generation of hazardous waste/ sludge.

j) Initiated the process of solar drying of sludge from ETP to reduce contamination.

k) Setting up of integrated fire safety and hydrant system in the plants to prevent fire accidents.

Q3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Vendor selection is an integral process to ensure sustainable sourcing. The Company has a robust vendor selection process which is based on various parameters that include quality, cost, environmental and legal compliance, financial health and stability, management capabilities, succession planning and organisation structure.

The process is aimed towards strengthening the entire supply chain and to ensure a seamless and sustainable procurement process.

The Company has a defined sourcing strategy with below focus areas:

i. *Creating awareness regarding sustainability and green purchasing* amongst the vendors. In order to ensure this, the Company is monitoring consumption of electricity, water and fuel, and plans to recommend ways to help reduce the same.

ii. *Green Initiative* in the supply chain for waste water recycling, driving carbon neutrality and promoting use of alternate sources of energy and fuels.

iii. *Optimisation* of transportation and logistics to reduce greenhouse gas emissions and logistics cost.

iv. *Endurance Vendor Association* formed by the Company earlier, continues to eliminate interface losses and create trust between the Company and its vendors.

v. *Clean Sheet Costing* of sourced components.

vi. *Sourcing from best-cost suppliers* and negotiating volume discounts and increase their share of business to get lower weighted prices.

vii. *Continually review vendor base* so that best costs amongst vendors are obtained while ensuring material quality.

viii. *Pass-on of raw material cost* increase to customers, on a quarterly or bi-annual basis.

ix. *Engagement with vendors* to ensure environmental compliance and promoting use of recycled/ returnable packaging for the components sourced.

In order to mitigate the impact of COVID-19 on the supply chain, the Company advised implementation of various safety measures at the vendors' facilities to respond to immediate challenge of disruption faced in their respective manufacturing locations. Immediate actions like sanitisation of work places, providing of masks and shields and ensuring physical distancing, were taken. Awareness sessions were undertaken on protocols mandated by the government/regulatory authorities.

Q4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Most of the Company's vendors are located in proximity to its manufacturing facilities. The Company has developed a local direct (Tier I) and sub-supplier (Tier II) base of 233 vendors around its manufacturing locations. Engaging with small producers is encouraged; at present, 134 vendors (61%) are from the Micro, Small and Medium Enterprises (MSME) sector.

The Company works to build the capability of its vendors through a structured vendor upgradation programme. Life Time Suppliers (''LTS'') for each product and category are identified. The Company, at periodic intervals, rationalises its suppliers based on vendor performance rating and developmental support in the past. Capabilities of LTS are enhanced through:

i. *Supplier (Quality) Improvement Programme* for vendor rating improvement of existing and potential LTS. Vendor rating improvement has been achieved by thirty three suppliers in FY 2020-21.

ii. *Trainings to suppliers* on various topics like Total Productive Maintenance (TPM), Supplier Quality Manual (SQM) awareness, Health, Safety and Environment (HSE) compliance, customer specific requirements. Total 222 suppliers were covered under seven different trainings/programmes during FY 2020-21.

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iii. *Supplier engagement initiatives* such as 'Quality Month' celebration – fifteen suppliers participated in 'Quality' success story competition held in November, 2020.

iv. *Total Productive Maintenance (TPM) implementation at suppliers'* facilities to aim overall efficiency improvement with defined targets Safety, Productivity, Quality, Cost, Delivery and Morale (SPQCDM).

v. *Monitoring of HSE compliance* of Tier I and Tier II suppliers based in Aurangabad. Ninety one suppliers are being monitored for mandatory HSE compliance requirements. The Company has also initiated proactive assessment of surface treatment suppliers under 'red category' to assess and close the gaps relating to compliance and fulfilment of HSE requirements as mandated in the respective consent to operate.

vi. Ensuring that suppliers are equipped with defined 'must-have' facilities and hardware interlock requirements. The Company also provides adequate training to suppliers on this front.

Q5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a mechanism to recycle products and waste by >10%.

i. All manufacturing plants of the Company have installed ETP/ STP for treatment of water which is cleaned for further non-potable use.

ii. In-house rejections of die casting parts, those received from customer and aluminium chips collected after the completion of machining process are melted and the alloy is used as raw material.

iii. Recycling of Trimofin oil for use in machining process, after filtration. This oil is used as a coolant for machining. We have a coolant recovery plant for recycling the water base coolant which can be reused for grinding operation/ process.

iv. Use of nickel and chrome recovered from plating processes.

v. Installation of compacting machine to remove cutting oil from aluminium chips which can then be reused in appropriate proportions for casting processes.

vi. Installation of compacting machines to remove coolants from grinding dust; this can be reused for machining processes.

vii. Sludge generated from grinding operations is being recycled through authorised agencies for use in fertilizer industry.

We have joined hands with the Confederation of Indian Industries (CII) for a new initiative "Green Co-Rating" for further improvements to reduce impact of manufacturing process on environment. This initiative focuses on the 3R Principle i.e. Reducing waste, Recycling and Reusing resources and products.

PRINCIPLE 3: WELL-BEING OF EMPLOYEES

The Company views employees as enablers of value creation and is committed to the well-being of the employees; and has various practices and policies that drive the learning and development as well as the health and wellness of the employees.

Q1. Total number of employees

Employee count stands at 3,800 as on 31st March, 2021.

Q2. Total number of employees hired on temporary/ contractual/ casual basis

The total number of employees hired on temporary/ contractual/ casual basis, as of 31st March, 2021 were 6,328.

Q3. Number of permanent women employees

The number of permanent women employees as on 31st March, 2021 were 46.

Q4. Number of permanent employees with disabilities

Endurance is an equal opportunity employer. We do not mandate disclosure of disability and do not discriminate on the grounds of age, gender and caste. Employment is offered based on merit.

Q5. Do you have an employee association that is recognised by management?

Yes, we have twelve agreements entered into with labour unions for the Company's plants located at Waluj (Aurangabad, Maharashtra), Chakan (Dist. Pune, Maharashtra) and Pantnagar (Uttarakhand).

Q6. Percentage of permanent employees who are members of these recognised employee association(s)

As of 31st March, 2021, 1,694 employees, representing 44.6% of our workforce, are members of labour unions.

Q7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

During the year, there were no complaints relating to child, forced and involuntary labour.

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During the year under review, five complaints were received by the Internal Committee ("IC") relating to sexual harassment. Out of the five complaints received, four were satisfactorily resolved and one complaint was pending. As on the date of the report i.e. 19th May, 2021, the inquiry and investigation of the fifth complaint, has been completed and the IC was in the process of concluding the same.

Q8. What percentage of the under mentioned employees were given safety and skill upgradation training in the last year?

- Permanent Employees;
- Permanent Women Employees;
- Casual/ Temporary/ Contractual Employees;
- Employees with Disabilities.

The Company ensures sustainable growth through continuous efforts to improve safety conditions for all its stakeholders and the implementation of environment-friendly practices. Across all the plants, there are structured health and safety trainings for employees and contract workforce.

Further, training needs for skill upgradation of employees are identified based on their performance assessments and roles & responsibilities at various levels.

During the FY 2020-21, 3,430 man-days equivalent trainings were imparted and workshops were conducted. The training topics included health, safety and environment (HSE). Considering the pandemic situation, these sessions were conducted online and encompassed the following:

i. Sustainability awareness;

ii. Contractor safety management awareness;

iii. Risk assessment (Hazard Identification);

iv. Emergency preparedness and response;

v. Use of personal protective equipment (PPEs);

vi. Consequence management procedure;

vii. Awareness of HSE policy, SOPs and guidelines laid down by the Company.

Apart from domain specific subjects, trainings provided to the on-roll employees are typically grouped as follows:

a) Induction programmes for the new joiners;

b) Leadership development programmes;

c) Behavioral training programmes (team work, result orientation & accountability, time management, planning & organising skills, etc.);

d) Technical training programmes (includes Quality/ System Awareness Programmes, DFMEA/PFMEA, 7QC Tools, Quality core tools, Die casting, Industry 4.0, etc.);

e) CITTI Values/ Codes of Conduct/ BSC & Competency Framework workshop;

f) Safety related training programmes (fire fighting, HIRA, HSE procedures, and sustainability reporting, etc.);

g) System related programmes (such as IATF, ISMS, Success Factor demo, SOP awareness programmes, etc.)

During the FY 2020-21, above-mentioned trainings spanned to around 5,781 man-days.

During the year under review, the Company continued with the activities under 'Safety First' initiative, as one of the five focus areas of the initiative taken towards organisation building culture. The activities implemented under this focus area encompass:

- *Safety Champions Process:* Employees from different functions are trained to identify action points to improve safety conditions in plants and offices;
- *Management of Change:* This emphasises on HSE legal compliance during green field / brown field projects and internal layout changes;
- *Visual Safety Leadership:* Interaction of senior executives in operations with shop-floor workforce on imbibing safety in their daily work and appreciate on display of safety conduct;
- *Consequence Management Policy:* This policy conveys zero tolerance towards non-compliance with safety norms and conditions;
- *Contractor Safety Management:* This prescribes the conditions relating to HSE that are mandatory to be fulfilled by contractors associated with the Company.

Steps initiated and precautionary measures taken to prevent the spread of COVID-19 pandemic in the organisation:

In order to prevent the spread of COVID-19 pandemic, the Company and its subsidiaries have implemented various precautionary measures at all its locations, such as sanitisation, employee health monitoring, travel restrictions, increased use of audio/video conferencing for

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meetings and distribution of medicines to boost immunity. Advisory guidelines are issued from time to time, apprising the employees about the government mandated SOPs and best practices to be followed at workplace. These include observing social distancing norms, restriction on gatherings and travel, sanitisation of workplaces, defining rules for use of common areas, entry controls, defining areas and routes reserved for visitors. Further, with the release of vaccine for prevention of COVID-19, the Company has also undertaken drive for vaccinating its employees.

PRINCIPLE 4: RESPECT AND RESPONSIVENESS TO ALL STAKEHOLDERS

The Company has undertaken various CSR initiatives to directly address the issues concerning disadvantaged, vulnerable and marginalised strata of society. This enables overall sustained growth and creates value for all its internal and external stakeholders.

Q1. Has the Company mapped its internal and external stakeholders?

The Company has identified employees, customers, investors, vendors, contractors, collaborators/ technical partners, local community and government/ regulators as its key stakeholders. There are different formal and informal mechanisms to engage with each of these stakeholders which helps to understand and respond to their needs.

Q2 & Q3. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

The Company undertakes initiatives to identify disadvantaged and vulnerable stakeholders in and around its manufacturing locations. The focus is to identify unemployed & unskilled youth, villages in poor socio-economic conditions lacking basic needs such as safe drinking water and access to sanitation, children having limited or no access to basic education and absence of avenues for gainful employment.

Further, relief measures were also taken in the vicinity of its manufacturing plants to help the communities reduce the gravity of economic hardship/ livelihood problems faced by them due to the lockdown restrictions imposed to curtail the spread of pandemic.

Based on identification of their needs, the Company implemented following Corporate Social Responsibility ("CSR") programmes:

(a) **Vocational Training Centre** – for providing vocational training for gainful employment of youth;

(b) **Village Development Projects** – Developmental requirements assessed based on interaction with Panchayats of respective villages; CSR Initiatives are planned primarily focusing on health & nutrition, water & sanitation, agriculture & livelihood, education and community development.

(c) Supporting pre-primary education by setting up of *Balwadi*; and

(d) Undertaking relief measures relating to COVID-19 pandemic.

PRINCIPLE 5: RESPECT AND PROMOTE HUMAN RIGHTS

The Company is committed to meeting the fundamental principles of human rights, labour practices and anti-corruption. The Company derives human rights principles through the CITTI Values and compliance with applicable laws pertaining to human rights.

Q1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The principles of human rights are applicable to the Company as well as the subsidiary companies as per the regulations and guidelines applicable in respective geographies. The suppliers, contractors and other entities associated with the Company are governed by their respective policies.

Q2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, there were no complaints received by the Company relating to violation of human rights.

PRINCIPLE 6: RESPECT, PROTECT AND RESTORE THE ENVIRONMENT

The Company believes that pro-environment processes along with healthy and safe work conditions contribute immensely in achieving sustainable manufacturing. The Company continued with its focus towards health, safety and conservation of environment by implementing structured initiatives aimed as part of the Company's 'culture building' drive.

Q1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others

A Health, Safety, and Environment ("HSE") policy has been framed by and for the Company. The subsidiary companies adhere to local regulations with respect to health, safety and environment.

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The vendors are governed by their respective policies. Adherence to environmental laws and regulations is one of the pre-requisites for awarding a contract to any vendor.

Q2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for web page etc. such as climate change, global warming, etc.?

The Company has a dedicated team for conservation of energy - 'ENERCON', which undertakes and implements various measures towards improving operational efficiency and identifying alternate source(s) of energy. Its efforts over the years have resulted in significant electricity savings and reducing carbon footprint. Further, the Company has implemented various measures for conservation of water, reduction in discharge of effluents, optimum use of material to reduce wastage, recycling of waste and reduction of air & water pollution, to list a few. Kindly refer Annexure I to the Board's Report for the initiatives taken by the Company during the FY 2020-21.

Q3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company identifies and assesses potential environmental risks.

Environmental risks are part of the Company's risk management framework. Company has a structured and continuous process of identifying and assessing risks. It also has a robust process for mitigating key risks at all levels. A report based on risk monitoring mechanism is submitted biannually to the Risk Management Committee.

The Company is working towards ensuring 'zero' accidents, 'zero' liquid discharge ("ZLD") and minimizing discharge of other effluents. Considering the nature of its processes, the Company has taken adequate measures towards this, such as conducting regular proactive employee safety and environment audits, management review meetings, and periodic employee health and safety meetings to manage this risk. In addition thereto, necessary steps are being taken such as building adequate infrastructure for treating effluents and also tying up with local bodies for effective disposal or recycling of waste.

Q4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

Q5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Most of our plants are certified for ISO 14001, OHSAS 18001 and ISO/TS 16949:2009 standards. Most of our plants are also members of the International Automotive Taskforce (IATF), a taskforce formed by a group of automotive manufacturers to ensure worldwide quality and consistency, amongst and other things.

Please refer Annexure I to the Board's Report, which forms part of the Annual Report, for initiatives on energy efficiency.

Q6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/ SPCB (Central/ State Pollution Control Board) for the financial year being reported.

All emissions/ waste generated at the plants are within permissible limits.

Q7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year

Maharashtra Pollution Control Board, ("MPCB") vide letters dated 21st July, 2015 and 22nd July, 2015, had, *inter alia*, alleged contamination of ground water on account of the operations carried out at the Company's plant at K-228 & 229, Waluj, Aurangabad. The Company was directed to deposit ₹ 100 million in an escrow account of the District Collector, Aurangabad, towards remedial costs for ground water contamination and soil degradation.

In response thereto, the said amount was deposited and an appeal was made by the Company before the Hon'ble National Green Tribunal ("NGT"). Hearings were held before the Hon'ble NGT duly represented by the MPCB and the Company. In view of absence of information regarding the source of pollution/ water contamination, it was ordered that the industries in the Waluj area be directed to pay remediation costs only. Accordingly, out of ₹ 100 million, ₹ 79.1 million had been refunded to the Company as on 31st March, 2018 after adjusting the proposed remediation costs attributable to the Company which is sub-judice before the NGT. No hearing on the matter has been held after 10th July, 2018.

As of 31st March 2021, there are no other material show cause/ legal notices received from CPCB/SPCB that are pending.

PRINCIPLE 7: RESPONSIBLE AND TRANSPARENT POLICY ADVOCACY

Q1. Is the Company a member of any trade and chamber or association? If yes, give names.

The Company is a member of several leading Industry Associations, including:

BUSINESS RESPONSIBILITY REPORT (CONTD.)

- ACMA - Automobile Component Manufacturers Association
- SIAM - Society of Indian Automobile Manufacturers
- CII - Confederation of Indian Industries
- EFI - Employer Federation of India
- CMIA - Centre for Marathwada Industries & Agriculture
- NSC - National Safety Council
- MARG - Mutual Aid Response Group

Q2. Has the Company advocated/ lobbied through above associations for the advancement or improvement of public good?

As a responsible corporate citizen, the Company's approach is to contribute to public policy formulation through recognised industry associations only.

PRINCIPLE 8: PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company's philosophy on discharging its social responsibility is to maximise the positive impact on the livelihood and welfare of the local communities in the areas of operation. The projects and initiatives are administered through the Corporate Social Responsibility ("CSR") Policy available at www.endurancegroup.com/sustainability.

In line with the provisions of Companies Act, 2013 ("Act"), the Board of the Company has constituted a CSR Committee which reviews the implementation of the CSR Policy. Kindly refer 'Annexure II – Annual Report on CSR activities', to the Board's report, for details.

Q1&Q2. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

As per the provisions of Section 135 read with Schedule VII to the Act and the CSR Policy of the Company, following CSR projects and programmes have been undertaken:

- Vocational Training Centre;
- Village Development Project;
- Sevak Trust *Balwadi*; and
- Relief measures relating to COVID-19 pandemic.

The above-mentioned projects and programmes have been undertaken by the Company through Sevak Trust, with whom the Company has been associated for more than a decade.

Q3. Have you done any impact assessment of your initiative?

The CSR Committee reviews the progress on the initiatives to assess the impact on the beneficiaries of the projects.

Vocational Training Centre ("VTC")

VTC is primarily aimed at providing skill-building training in chosen vocation to the youth who were unable to pursue structured education due to various reasons. The VTC empowers them by enhancing their employability. In addition to providing training in their chosen vocation, attention is also paid to overall personality development of the beneficiaries by including sessions on physical fitness, spoken English and basic computer literacy.

The impact of the vocational training is measured in the form of employment generated and self-employment after completion of the training. The CSR Committee reviews the quantitative impact through the EVA (i.e. Economic Value Added) for each course.

Village Development Project ("VDP")

Villages under the said project are selected based on assessment of their developmental needs (on defined parameters). The activities are mostly focused on health, sanitation, education, livelihood and community development. In case of VDP, the impact can be measured based on the improvement in the standard of living of villagers and availability of adequate infrastructure, especially for education and medical facilities.

Sevak Trust *Balwadi*

Balwadi provides pre-primary education to children from nearby villages and localities in Aurangabad, Maharashtra. The objective of running a *Balwadi* is to provide quality education accessible to under-privileged sections of the society.

Relief measures relating to COVID-19 pandemic

The Company has set up a COVID-19 care centre in Waluj, Aurangabad with a capacity of eighty one beds and is equipped with adequate medical facilities to provide proper medical treatment to COVID-19 patients. The centre catered to asymptomatic patients during the first and second waves of COVID-19 pandemic.

In addition to the above, the Company also undertook following relief measures under this drive:

- Distribution of kits containing food and other essential hygiene items to villages covered under VDP and other villages near its plant locations.
- Donation of Covid testing machines to government hospitals designated for conducting tests on patients, for diagnosing COVID-19.

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- Extending of financial support to sixty two students of its vocational training centre during the period of lockdown as they had no alternate source of income.

Q5. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

(in ₹ million)

Focus Area	Amount spent in financial year 2020-21
Village Development Project	21.71
Vocational Training Centre	27.79
Sevak Trust *Balwadi*	0.12
Relief measures relating to COVID-19	9.39
Donation to Bharat Sevashram Sangha	1.00
Total	**60.01**

* *In addition to the above, the Company had contributed ₹ 50 million to PM CARES Fund on 31st March, 2020, which is considered towards fulfilment of CSR obligation for the financial year 2020-21.*

Q6. Have you taken steps to ensure that these community development initiatives are successfully adopted by the community?

Yes, the Company has engaged with Sevak Trust, who further, in consultation with external agencies having adequate experience in this domain, ensures effective implementation of the CSR initiatives.

The CSR initiatives are structured in such a manner that its implementation requires active participation by the beneficiaries. In the Village Development Project, apart from providing services, the villagers also contribute a notional amount towards developmental work in the villages such as construction of toilets & mangers, setting up of hydroponic unit, etc. Similarly, the students enrolling in the Endurance Centre of Vocational Empowerment (ECoVE) pay a nominal fee as a token of their commitment for the course enrolled at VTC. These inclusive measures create a sense of undertaking amongst beneficiaries to sustain the development work implemented at respective villages and also to successfully complete the vocational course chosen by them.

The progress of CSR activities is also monitored closely by the CSR Committee of the Company.

PRINCIPLE 9: PROVIDES VALUES OF CONSUMER RESPONSIBLY

Customer Centricity is one of the core values of the Company. There are mechanisms in place that aim to minimise customer complaints and grievances, while ensuring prompt redressal.

In order to make the Company's redressal mechanism more meaningful, a structured system has been developed and implemented.

The Company primarily caters to 2-Wheelers and 3-Wheelers Original Equipment Manufacturers ("OEMs"). There is a robust mechanism defined in the Company to deal with issues and complaints reported by OEMs. They can communicate issues through their online portals, e-mail communications, during their visits to plants or at meetings.

The Company also caters to retail market through its aftermarket business. Complaints are raised through any or all of the following modes:

- Lodging of complaint on dedicated customer care number 0240 - 2569723;
- Sending complaints through email at customercare@endurance.co.in;
- Communicate the complaint at the customer care desk at local office/ distributor.

All the complaints/ concerns/ grievances are tracked by the senior management team till its resolution.

Q1. What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?

All complaints are acknowledged on receipt and attended on priority for ensuring resolution as per defined time schedule and organisational hierarchy. There were no customer complaints pending as on 31st March 2021.

Q2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The information displayed on the product label is as per the applicable laws and in line with the prevalent market practice.

Q3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and pending as at the end of financial year?

There is no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of 31st March, 2021.

Q4. Did your Company carry out any consumer survey/consumer satisfaction trends?

A customer satisfaction survey is conducted every year and 'Customer Satisfaction Index' is plotted. Results of the survey are analysed to understand the areas of improvement. Vendor ratings provided by customers is also a measure of customer satisfaction.

INDEPENDENT AUDITOR'S REPORT

To
the Members of
Endurance Technologies Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Endurance Technologies Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Accounting for income from government grants(Refer note 35(a) of the standalone financial statements)	
The Company recognises grant income under the Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on sale of goods, as management believes that the realisability of the grant income is reasonably certain. The Company in the current year received an addenda to its eligibility certificate for grant of incentive under PSI Scheme towards the additional investment made in the FY 2018-19; and accordingly, recognised ₹ 279.37 million incentive as a one-time adjustment in the current year relating to FY2018-19 and FY 2019-20. The cumulative grant income recognized during the year stands at ₹872.18 million . Accordingly, income from government grants is considered a key audit matter.	We have performed the following procedures : 1. Obtained and read the eligibility certificate and the addenda to the eligibility certificate received by the Company from the Government of Maharashtra. 2. Read the terms and conditions attached in the package scheme of incentives 2013 issued by the Government of Maharashtra. 3. Assessed and tested the compliance by the Company in relation to recognition of income in accordance with Ind-AS 4. Tested the accounting entries effected in the books of accounts with the underlying workings 5. Assessed the disclosures in the standalone financial statements for compliance with relevant standards

INDEPENDENT AUDITOR'S REPORT (CONTD.)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the standalone Ind AS financial statements and our auditor's report 'thereon'). which we obtained prior to the date of this auditors report and Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, which is expected to be made available to us after that date.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a

INDEPENDENT AUDITOR'S REPORT (CONTD.)

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28(a) to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 21089802AAAABD3388

Place of Signature: Pune
Date: May 19, 2021

ANNEXURE 1

Annexure referred to in paragraph 1 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Re: Endurance Technologies Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the director is interested to which provisions of section 185 of the Act apply and hence not commented upon. The company has made investments which is in compliance to the provisions of section 186 of the Act .

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of other machinery products and generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, excise duty and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in million)**	Period to which amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	4.80	2006-2017	Assistant / Deputy Commissioner
Central Excise Act, 1944	Excise Duty	22.31	2005-2008	Joint / Additional Commissioner
Central Excise Act, 1944	Excise Duty	20.79	2012-2013	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	32.63	2003-2017	CESTAT
Finance Act, 1994	Service Tax	0.06	2014-2017	Assistant / Deputy Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	44.07	2013-2015	Joint Commissioner
Maharashtra Value Added Tax Act, 2002	Value Added Tax	6.15	2016-2017	Joint Commissioner

ANNEXURE 1 (CONTD.)

Annexure referred to in paragraph 1 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Name of the statute	Nature of the dues	Amount (₹ in million)**	Period to which amount relates	Forum where the dispute is pending
Income Tax Act,1961	Income Tax	428.30	2010-2018	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax	155.05	2009-2012	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax	9.13	2007-2008	High Court

*** amounts deposited under protest against above dues ₹ 75.95 million*

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank and government.

(ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans during the year. Hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 21089802AAAABD3388

Place of Signature: Pune
Date: May 19, 2021

ANNEXURE 2

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Endurance Technologies Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Endurance Technologies Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 21089802AAAABD3388

Place of Signature: Pune
Date: May 19, 2021

BALANCE SHEET

as at 31st March, 2021

₹ in million

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	13,683.67	14,556.46
(b) Capital work-in-progress		889.18	612.17
(c) Other intangible assets	3	266.69	32.45
(d) Intangible assets under development		31.65	194.98
(e) Investments in subsidiaries	4	3,637.61	3,637.61
(f) Financial assets			
(i) Investments	4A	11.53	11.52
(ii) Other financial assets	5	59.49	966.56
(g) Deferred tax assets (net)	17A	19.55	-
(h) Other non-current assets	6	312.97	211.04
		18,912.34	**20,222.79**
2. Current assets			
(a) Inventories	7	3,295.33	2,658.29
(b) Financial assets			
(i) Investments	4B	1,699.26	373.18
(ii) Trade receivables	8	8,125.08	4,737.58
(iii) Cash and cash equivalents	9	342.54	1,252.54
(iv) Bank balances other than (iii) above	9A	0.38	0.71
(v) Loans	5A	12.61	20.10
(vi) Other financial assets	5B	1,779.46	359.22
(c) Other current assets	6A	209.47	204.26
		15,464.13	**9,605.88**
Total Assets (1+2)		**34,376.47**	**29,828.67**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	25,675.94	21,761.01
		27,082.57	**23,167.64**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	27.27	42.84
(ii) Other financial liabilities	12	89.63	107.53
(b) Provisions	13	210.72	158.17
(c) Deferred tax liabilities (net)	17A	-	73.69
		327.62	**382.23**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	450.00	1,461.00
(ii) Trade payables:	15		
(a) Total outstanding dues of micro enterprises and small enterprises		827.59	545.74
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,440.81	3,410.21
(iii) Other financial liabilities	12A	273.14	226.54
(b) Other current liabilities	16	512.73	308.18
(c) Provisions	13A	298.87	292.52
(d) Current tax liabilities (net)	17	163.14	34.61
		6,966.28	**6,278.80**
Total Equity and Liabilities (1+2+3)		**34,376.47**	**29,828.67**
Significant accounting policies	2		

See accompanying notes forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2021

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I	Revenue from operations	18	47,730.30	49,385.69
II	Other income	19	135.53	361.88
III	**Total income (I + II)**		**47,865.83**	**49,747.57**
IV	**Expenses:**			
(a)	Cost of materials consumed	20A	29,691.86	30,006.69
(b)	Purchases of stock-in-trade (traded goods)	20B	446.01	278.40
(c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	20C	(444.32)	188.14
(d)	Employee benefits expense	21	2,865.60	2,961.28
(e)	Finance costs	22	47.97	108.15
(f)	Depreciation and amortisation expense	3	2,034.15	1,992.48
(g)	Other expenses	23	7,855.33	8,528.02
	Total expenses (IV)		**42,496.60**	**44,063.16**
V	**Profit before exceptional items and tax (III-IV)**		**5,369.23**	**5,684.41**
VI	Exceptional items	41	112.25	-
VII	**Profit before tax (V - VI)**		**5,256.98**	**5,684.41**
VIII	**Tax expense:**			
(a)	Current tax expense		1,425.85	1,475.30
(b)	Deferred tax (Credit) / charge		(90.86)	(67.81)
	Total tax expense	**24**	**1,334.99**	**1,407.49**
IX	**Profit for the year (VII - VIII)**		**3,921.99**	**4,276.92**
X	Other comprehensive income			
(a)	Item that will not be reclassified to profit and loss in subsequent years			
	- Remeasurements of defined benefit plan		(9.44)	(58.05)
(b)	Income-tax effect		2.38	14.61
	Total other comprehensive loss for the year		**(7.06)**	**(43.44)**
XI	**Total comprehensive income for the year (IX + X)**		**3,914.93**	**4,233.48**
XII	Basic and diluted earnings per equity share (₹) (Face value per equity share ₹ 10)	31	27.88	30.41
	Significant accounting policies	2		

See accompanying notes forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2021

A Equity Share Capital

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning and at end of the year	1,406.63	1,406.63

B Changes in other equity

₹ in million

Particulars	Securities premium	General reserve	Retained earnings	Total equity
Balance as at 1st April, 2019	160.40	1,208.89	18,023.58	19,392.87
Profit for the year	-	-	4,276.92	4,276.92
Other comprehensive income for the year, net of tax	-	-	(43.44)	(43.44)
Payment of dividend (refer note 38)	-	-	(1,547.29)	(1,547.29)
Tax on dividend	-	-	(318.05)	(318.05)
Subtotal	**-**	**-**	**2,368.14**	**2,368.14**
Balance as at 31st March, 2020	160.40	1,208.89	20,391.72	21,761.01

₹ in million

Particulars	Securities premium	General reserve	Retained earnings	Total equity
Balance as at 1st April, 2020	160.40	1,208.89	20,391.72	21,761.01
Profit for the year	-	-	3,921.99	3,921.99
Other comprehensive loss for the year, net of tax	-	-	(7.06)	(7.06)
Subtotal	**-**	**-**	**3,914.93**	**3,914.93**
Balance as at 31st March, 2021	160.40	1,208.89	24,306.65	25,675.94

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

CASH FLOW STATEMENT

for the year ended 31st March, 2021

₹ in million

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A	**Cash flow from operating activities**		
	Profit before tax	5,256.98	5,684.41
	Adjustments for:		
	Depreciation and amortisation expense	2,034.15	1,992.48
	Incentive received	(1.37)	(5.80)
	Finance costs incurred	42.60	102.66
	Profit on sale of property, plant and equipment (net)	(12.16)	(110.42)
	Excess provision/creditors written back	(10.07)	(10.23)
	Unrealised exchange (gain)/loss (net)	16.46	(37.49)
	Income from investments in mutual funds	(37.35)	(45.01)
	Interest income	(23.34)	(6.90)
	Operating profit before working capital changes	**7,265.90**	**7,563.70**
	Movement in working capital		
	Adjustments for (increase)/decrease in operating assets		
	Inventories	(637.04)	171.52
	Trade receivables	(3,391.04)	2,217.45
	Other financial assets	(521.19)	(843.48)
	Other assets	(8.46)	(61.00)
	Adjustments for increase/(decrease) in operating liabilities		
	Trade payables	1,319.51	(1,243.28)
	Provisions	49.35	79.99
	Other current liabilities	205.93	(153.63)
	Other financial liabilities	(17.90)	60.77
	Cash generated from operating activities	**4,265.06**	**7,792.04**
	Direct taxes paid (net of refund)	(1,297.29)	(1,510.68)
	Net cash generated from operating activities	**2,967.77**	**6,281.36**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment (including capital work in progress and capital advances)	(1,996.51)	(2,961.80)
	Proceeds on sale of property, plant and equipment	461.93	254.62
	Investment in equity shares	-	0.86
	Investment in /Redemption of mutual funds, net	(1,288.74)	20.00
	Decrease in other bank balances	0.33	1.07
	Interest received	23.78	6.53
	Net cash used in investing activities	**(2,799.21)**	**(2,678.72)**

CASH FLOW STATEMENT

for the year ended 31st March, 2021

₹ in million

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	(16.41)	(19.80)
	Repayments of short term borrowings (net)	(1,011.00)	(659.00)
	Dividend paid including tax on dividend	(0.01)	(1,865.16)
	Finance costs paid	(44.15)	(103.66)
	Repayment of lease liability	(6.99)	(5.02)
	Net cash used in financing activities	**(1,078.56)**	**(2,652.64)**
	Net (decrease)/ increase in cash and cash equivalents	**(910.00)**	**950.00**
	Cash and cash equivalents at the beginning of the year	1,252.54	302.54
	Cash and cash equivalents at the end of the year	342.54	1,252.54
	Net (decrease)/ increase in cash and cash equivalents	**(910.00)**	**950.00**

Significant accounting policies — Refer Note No. 2

See accompanying notes forming part of the financial statements.

Notes:

1 Figures in brackets represent outflows.

2 Previous year figures have been regrouped, wherever necessary, to conform to current year's presentation.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Endurance Technologies Limited ("Endurance" or "the Company") is in the business of manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India.

The Company sells its products in India as well as exports to foreign countries.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is E-92, MIDC Industrial area, Waluj, Aurangabad, Maharashtra - 431136, India.

The financial statements for the year ended 31st March, 2021 were approved by the Board of Directors and authorized for issue on 19th May, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable.

2.02 Basis of preparation and presentation

These financial statements consist of standalone financial statements of the Company and have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained under accounting policy 2.16. The financial statements are presented in INR and all values are rounded off to the nearest million (INR 000,000), except as stated otherwise.

2.03 Use of estimates and assumptions

The preparation of these financial statements requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of useful lives of property, plant and equipment.

Useful lives of Property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.04 Revenue from contract with customer

Revenue is recognized when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The timing of when the Company transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Company based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer. Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 60 days upon delivery for customers in India and 30 to 120 days for overseas customers. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, discounts etc.), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the

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goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Warranty obligations

The Company provides warranties for general repairs of defects as per terms of the contract with customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Revenue from job work

The Company provides job work services to its customers. Such services are sold separately and are not bundled together with the sale of Company's goods. Revenue from job work is accounted as and when such services are rendered.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.16 Financial instruments – Financial assets at amortized cost.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.05 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to note 2.14.2 Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in

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the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included under borrowings and other current financial liabilities (refer note 11 and note 12A).

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.06 Foreign Currency

The functional currency of the Company is Indian Rupee. Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement or translation are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

The Company accounts for foreign exchange gains and losses in respect of derivative instruments based on mark to market valuation as on balance sheet date.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

2.07 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.08 Government grants and export incentives

1. Government grants

   Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to income are deferred and recognized in the profit or loss over the periods necessary to match them with the costs that they are intended to compensate and presented within other operating revenues.

2. Export benefits

   Export benefits are accrued in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

   Export benefits in nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback are recognized on accrual basis in the year of export.

   Effective January 1, 2021, Remission of Duties and Taxes on Export Product (RODTEP) scheme has been introduced replacing MEIS.

3. Government grant in respect of loan

   The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.09 Employee benefits

1. Defined contribution plan:

   Provident fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan,

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in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

2. Defined benefit plan:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. For the employees of specified grades, who have completed 10 years of service, an amount equal to 30 days salary is payable for each completed year of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees.

3. Compensated absences:

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of unutilized compensated absence on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to profit or loss and are not deferred. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees.

2.10 Taxes

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities.

The Company's current tax is measured using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method depending on which method predicts better resolution of the treatment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

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Deferred taxes

Deferred tax is recognized using liability method. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered .

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends and has ability to settle its current tax assets and liabilities on a net basis.

2.11 Property, plant and equipment

Property, plant and equipment (including capital work in progress) are stated at cost of acquisition or construction where cost includes amount added/ deducted on revaluation less accumulated depreciation / amortization and impairment losses, if any. All costs directly relating to the acquisition and installation of assets are capitalized and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Depreciation on Property, plant and equipment has been provided on a straight-line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

i) Plant & equipment - 7.5 years/10 years

ii) Vehicles – 5 years/7 years

iii) Dies and moulds are depreciated over their estimated economic life determined on the basis of their usage or on straight line basis in the manner specified in Schedule II to the Companies Act, 2013, whichever is higher.

The residual values, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

2.12 Intangible Assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

i) Technical knowhow is amortized over a period ranging from six to ten years;

ii) Software is amortized over a period of three years.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

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2.13 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.14 Impairment

1. Financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost for e.g., deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Company estimates the following provision matrix at the reporting date:

Particulars	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

**Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.*

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

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Financial assets measured at amortized cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

2. Non-financial assets

The Company assesses, at each reporting date, whether there is any indication that the carrying amount of non financial asset may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount, (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The Company bases its impairment calculation on budgets and forecast calculations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

2.15 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares, packing materials and loose tools & instruments are valued at the lower of cost and net realizable value. Cost is ascertained on a weighted average basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a. Raw materials, stores & spares and tools & instruments: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets in the nature of debt instruments are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets including derivative financial instruments are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognized in the Statement of Profit and Loss.

Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments. Trade, other payables and derivative financial instruments are measured subsequently at FVTPL. Loans and borrowings are subsequently measured at amortized costs using EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is need on initial recognition and is irrevocable. If the Company decides to classify an equity instruments as at FVOCI then all fair value changes on the instrument excluding dividends are recognized in OCI. There is no recycling from OCI to profit or loss even on sale of instrument. However, the Company may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial

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assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.17 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 - Earnings per Share. Basic earnings per share is computed by dividing the net profit or loss after tax for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.18 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant & equipment utilized for research and development are capitalized and depreciated/ amortized in accordance with the policies stated for Property, plant & equipment and Intangible Assets.

2.19 Cash flow statement

The Cash flow statement is prepared by the indirect method set out in Ind AS 7 - Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.20 Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is

- expected to be realized or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it is

- expected to be settled in its normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period, or
- does not have any unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Current liabilities include the current portion of long term financial liabilities. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.21 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other disclosures

1) There are no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.
2) The valuation techniques used above are consistent with all periods presented.
3) There are no recurring or non-recurring fair value measurements categorized within Level 3 of the fair value hierarchy.

Valuation Techniques used to determine fair value

1) Investments in Mutual Funds - are valued at net asset value declared by AMFI at the reporting date.
2) Derivatives (recurring fair value measurement) - at values are determined by counter parties / banks using market observable data.

2.22 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.23 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.24 Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represent the revenue, total expenses and the net profit of the sole reportable segment.

2.25 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements.

Product warranty expenses:

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

2.26 Other income

Dividends

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Others

The Company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

2.27 Changes in accounting policies and disclosures

(a) New and amended accounting standards

i Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. This amendment had no impact on the standalone financial statements of the Company.

ii Amendments to Ind AS 103: Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the standalone financial statements of the Company.

iii Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.

iv Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Company's standalone financial statements.

(b) Standards notified but not yet effective

There are no new standards that are notified but are not yet effective up to the date of issuance of company's financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

3 Property, plant and equipment

₹ in million

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at 1st April, 2020	Additions during the year	Deductions during the year	As at 31st March, 2021	Up to 1st April, 2020	For the year	Deductions during the year	Up to 31st March, 2021	As at 31st March, 2021
	(a)	(b)	(c)	(d=a+b-c)	(e)	(f)	(g)	(h=e+f-g)	(i=d-h)
A) TANGIBLE ASSETS									
Freehold land	456.75	-	306.55	150.20	-	-	-	-	150.20
	(456.75)	-	-	(456.75)	-	-	-	-	(456.75)
Buildings	3,405.27	354.93	130.01	3,630.19	466.22	127.36	29.98	563.60	3,066.59
	(3,091.38)	(315.48)	(1.59)	(3,405.27)	(351.85)	(115.96)	(1.59)	(466.22)	(2,939.05)
Plant & equipment	15,223.23	1,178.45	304.37	16,097.31	6,652.97	1,747.07	270.98	8,129.06	7,968.25
	(13,167.09)	(2,362.60)	(306.46)	(15,223.23)	(5,164.43)	(1,709.38)	(220.84)	(6,652.97)	(8,570.26)
Wind energy generators	75.57	4.20	11.98	67.79	75.56	0.07	11.98	63.65	4.14
	(75.57)	-	-	(75.57)	(67.45)	(8.11)	-	(75.56)	(0.01)
Computers	178.46	7.93	1.38	185.01	131.92	23.15	1.38	153.69	31.32
	(161.02)	(17.94)	(0.50)	(178.46)	(104.85)	(27.57)	(0.50)	(131.92)	(46.54)
Electrical fittings	101.10	6.81	0.79	107.12	34.30	9.91	0.72	43.49	63.63
	(83.67)	(17.43)	-	(101.10)	(25.13)	(9.17)	-	(34.30)	(66.80)
Vehicles	225.24	5.81	12.65	218.40	84.22	31.30	10.42	105.10	113.30
	(160.81)	(86.12)	(21.69)	(225.24)	(68.69)	(30.70)	(15.17)	(84.22)	(141.02)
Furniture and fixtures	171.88	7.90	0.66	179.12	73.23	16.68	0.50	89.41	89.71
	(149.06)	(23.58)	(0.76)	(171.88)	(58.30)	(15.66)	(0.73)	(73.23)	(98.65)
Office equipments	169.26	14.94	1.81	182.39	99.47	24.40	1.73	122.14	60.25
	(145.31)	(24.73)	(0.78)	(169.26)	(75.07)	(25.07)	(0.67)	(99.47)	(69.79)
Right of use									
Land	2,159.59	-	2.40	2,157.19	25.28	26.56	2.40	49.44	2,107.75
	(1,978.82)	(180.77)	-	(2,159.59)	-	(25.28)	-	(25.28)	(2,134.31)
Buildings	39.91	3.66	-	43.57	6.63	8.41	-	15.04	28.53
	(33.89)	(6.02)	-	(39.91)	-	(6.63)	-	(6.63)	(33.28)
Total - A	**22,206.26**	**1,584.63**	**772.60**	**23,018.29**	**7,649.80**	**2,014.91**	**330.09**	**9,334.62**	**13,683.67**
Previous year as at 31st March, 2020	(19,503.37)	(3,034.67)	(331.78)	(22,206.26)	(5,915.77)	(1,973.53)	(239.50)	(7,649.80)	(14,556.46)
B) INTANGIBLE ASSETS									
(Other than internally generated)									
Technical know-how	74.65	221.57	55.26	240.96	67.02	3.30	55.25	15.07	225.92
	(74.65)	-	-	(74.65)	(62.56)	(4.46)	-	(67.02)	(7.63)
Software	152.13	31.89	-	184.02	127.31	15.94	-	143.25	40.77
	(142.34)	(9.79)	-	(152.13)	(112.82)	(14.49)	-	(127.31)	(24.82)
Total - B	**226.78**	**253.46**	**55.26**	**424.98**	**194.33**	**19.24**	**55.25**	**158.32**	**266.69**
Previous year as at 31st March, 2020	(216.99)	(9.79)	-	(226.78)	(175.38)	(18.95)	-	(194.33)	(32.45)
Total - A+B	**22,433.04**	**1,838.09**	**827.86**	**23,443.27**	**7,844.13**	**2,034.15**	**385.34**	**9,492.94**	**13,950.36**
Previous year as at 31st March, 2020	(19,720.36)	(3,044.46)	(331.78)	(22,433.04)	(6,091.15)	(1,992.48)	(239.50)	(7,844.13)	(14,588.91)

ASSET HELD FOR SALE	As at 1st April, 2020	Addition during the year	Sale during the year	Transfers during the year	As at 31st March, 2021
Freehold land and building	-	404.07	404.07	-	-
	(33.37)	-	(33.37)	-	-

Other Notes:

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years i.e. September 2020. Accordingly, the same is grouped under freehold land.

ii) Figures in brackets represent figures of previous year.

iii) Refer note no 14.01 for details of security provided in respect of current borrowings.

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4 Investments in subsidiaries

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investments in equity shares (all fully paid, measured at cost, unquoted) :		
Investment in equity instruments of subsidiaries		
Endurance Amann GmbH (Refer note 25 a)	1,930.62	1,930.62
Endurance Overseas Srl (Refer note 25 b)	1,706.99	1,706.99
Total	**3,637.61**	**3,637.61**

4A Non-current investments

₹ in million

	Particulars	As at 31st March, 2021	As at 31st March, 2020
I	**Other investments (unquoted investments, all fully paid)***		
	Watsun Infrabuild Pvt Ltd (Refer Note 26)	1.45	1.45
	[145,201 (Previous year 145,201) equity shares of face value ₹ 10 each]		
	Marathwada Auto Cluster	10.00	10.00
	[10,000 (Previous year 10,000) shares of face value ₹ 100 each]		
	National Savings Certificates	0.04	0.04
	(Lodged with Government authorities)		
	Total	**11.49**	**11.49**
II	**Quoted investments ***		
	Indian Overseas Bank	0.04	0.03
	[2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]		
	Total quoted investments	**0.04**	**0.03**
	Total Investments (I+II)	**11.53**	**11.52**
	Aggregate book value of quoted investments	0.04	0.03
	Aggregate market value of quoted investments	0.04	0.03
	Aggregate amount of unquoted investments	11.49	11.49

** Refer note 32 for determination of their fair value*

4B Current investments

₹ in million

	Particulars	As at 31st March, 2021	As at 31st March, 2020
	Investment in mutual funds (unquoted)*		
i)	ICICI Prudential - Savings Fund Direct Plan - Growth	-	174.49
	Nil (Previous year 446,974.67 units)		
ii)	ICICI Prudential Corporate Bond Fund - Growth Direct Plan	130.20	-
	5,538,789.639 units (Previous year Nil)		
iii)	ICICI Prudential Overnight Fund - Growth Direct Plan	315.19	-
	2,840,009.348 units (Previous year Nil)		
iv)	HDFC Corporate Bond Fund - Growth Direct Plan	250.44	-
	9,944,428.346 units (Previous year Nil)		

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
v)	SBI Magnum Gilt Fund - Growth Direct Plan	60.03	-
	1,148,912.216 units (Previous year Nil)		
vi)	IDFC Low Duration Fund - Growth Direct Plan	100.16	-
	3,266,945.686 units (Previous year Nil)		
vii)	UTI Overnight Fund - Growth Direct Plan	482.73	-
	171,323.563 units (Previous year Nil)		
viii)	Kotak Floating Rate fund - Growth Direct Plan	200.25	-
	173,067.799 units (Previous year Nil)		
ix)	Aditya Birla Sunlife Banking and PSU Debt Fund - Growth Direct Plan	160.26	-
	553,166.818 units (Previous year Nil)		
x)	Aditya Birla Sunlife Liquid Fund - Growth Direct Plan	-	198.69
	Nil (Previous year 621,753.13 units)		
	Total	**1,699.26**	**373.18**

** Refer note 32 for determination of their fair value*

5 Other non-current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security deposits	59.30	63.01
Government incentives receivables	-	902.17
Sales tax receivable	0.19	1.38
Total	**59.49**	**966.56**

5A Loans

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loans to employees	12.61	20.10
Total	**12.61**	**20.10**

5B Other current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Interest accrued on deposits	0.01	0.45
(b)	Receivable for sale of property, plant and equipment	0.11	7.37
(c)	Foreign currency derivative assets	0.33	8.14
(d)	Government incentives receivables	1,734.15	295.77
(e)	Export incentive (MEIS, Duty drawback)	40.77	43.80
(f)	Others	4.09	3.69
	Total	**1,779.46**	**359.22**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

6 Other non-current assets

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Capital advances	184.73	86.02
(b)	Prepayments	8.88	5.63
(c)	Income tax paid in advance less provision	24.77	24.80
(d)	Deposit under protest [Refer note 28 (a)]	20.85	20.85
(e)	Income tax deposited under protest	73.74	73.74
	Total	**312.97**	**211.04**

6A Other current assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Advances for supplies	146.14	110.34
(b)	Prepayments	43.25	76.90
(c)	Others[1]	20.08	17.02
	Total	**209.47**	**204.26**

1 *Includes amount of ₹ 2.21 million (Previous year ₹ 1.30 million) paid to various regulatory authorities under protest.*
Also includes wind power receivable and other receivables.

7 Inventories

(valued at lower of cost and net realisable value)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Raw materials and components	1,091.07	912.13
(b)	Work-in-progress	789.64	657.65
(c)	Finished goods (other than those acquired for trading)	981.25	719.52
(d)	Stock-in-trade (acquired for trading)	83.30	32.70
(e)	Stores, spares and packing material	314.74	301.16
(f)	Loose tools and instruments	35.33	35.13
	Total	**3,295.33**	**2,658.29**
	Included above, Goods-in-transit in respect to		
(i)	Raw materials and components	168.52	153.35
(ii)	Finished goods (Other than those acquired for trading)	273.61	316.90
	Total	**442.13**	**470.25**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

8 Trade receivables

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
	Unsecured :		
i)	Considered good	8,125.08	4,737.58
ii)	Credit impaired	1.27	1.27
	Less: Allowance for credit impaired	(1.27)	(1.27)
	Total	**8,125.08**	**4,737.58**

Notes:

1 *Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.*

2 *The normal credit period allowed by the Company ranges from 30 to 60 days for customers in India and 30 to 120 days for overseas customers.*

3 *No trade receivables are due from Directors or other officers of the Company, either severally or jointly. Trade receivables include ₹ 8.60 million (previous year ₹ 3.98 million) due from the Company's subsidiaries; Endurance Overseas Srl Nil (previous year ₹ 1.51 million), Endurance Adler S.p.A ₹ 8.60 million (previous year Nil) and Endurance S.p.A Nil (previous year ₹ 2.47 million), Refer note 34.*

9 Cash and cash equivalents

₹ in million

Particulars			As at 31st March, 2021	As at 31st March, 2020
(a)	Cash on hand		0.28	0.33
(b)	Cheques on hand		0.52	-
(c)	Balances with banks:			
	i)	In current accounts	341.74	262.21
	ii)	In deposit accounts - with original maturity of less than three months	-	990.00
	Total		**342.54**	**1,252.54**

9A Other bank balances

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
Other bank balances (in earmarked accounts)			
(i)	In current account for equity dividend	0.26	0.27
(ii)	Balance held as margin money against letters of credit*	0.12	0.44
	Total	**0.38**	**0.71**

* *Represents margin money amounting to ₹ 0.12 million (Previous year ₹ 0.44 million) against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.*

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

10 Share Capital

A Authorised, issued, subscribed and paid-up share capital

₹ in million

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each	165,000,000	1,650.00	165,000,000	1,650.00
(Previous year ₹ 10 each)				
Total	**165,000,000**	**1,650.00**	**165,000,000**	**1,650.00**
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	140,662,848	1,406.63	140,662,848	1,406.63
(Previous year ₹ 10 each)				
Total	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

₹ in million

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year				
- Equity shares	140,662,848	1,406.63	140,662,848	1,406.63
No of shares outstanding at the end of the year	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

C Notes

i) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

₹ in million

Particulars	No. of shares as at 31st March, 2021	%	No. of shares as at 31st March, 2020	%
Equity shares:				
1 Mr. Anurang Jain	43,396,976	30.85	43,396,976	30.85
2 Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3 Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4 Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02

1 *Held by Mr. Anurang Jain in his capacity as the family trustee of the Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11th June, 2016 as amended by a deed of amendment dated 23rd June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.*

2 *Held by Mrs. Suman Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15th June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.*

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

3 *Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15th June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.*

ii) The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.

10A Other equity

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Securities premium (refer note (i) below)		
	Balance at the beginning and at the end of the year	160.40	160.40
(b)	General reserve (refer note (ii) below)		
	Balance at the beginning and at the end of the year	1,208.89	1,208.89
(c)	Retained earnings		
	Balance at the beginning of the year	20,391.72	18,023.58
	Profit for the year	3,921.99	4,276.92
	Remeasurements of defined benefit plans, net of tax	(7.06)	(43.44)
	Dividend including interim dividend (Refer note 38)	-	(1,547.29)
	Tax on dividend	-	(318.05)
	Balance at the end of the year	24,306.65	20,391.72
	Total	**25,675.94**	**21,761.01**

(i) Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

11 Non current borrowings

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Measured at amortised cost		
Unsecured borrowings		
Deferred sales tax loan (Refer note 11.01)	3.31	13.37
Right of use lease liability (Refer note 11.01 & 40)	23.96	29.47
Total unsecured borrowings	27.27	42.84
Total	**27.27**	**42.84**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

11.01 Maturity profile

₹ in million

Particulars	Right of use lease liability	Deferred sales tax loan	Total
Current maturities			
2021-22	7.60	10.06	17.66
Non-current maturities			
2022-23	5.33	3.31	8.64
2023-24	4.05	-	4.05
2024-25	3.53	-	3.53
2025-26 to 2027-28	11.05	-	11.05
Total	**23.96**	**3.31**	**27.27**

12 Other non-current financial liabilities

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Security deposits received from dealers	34.55	28.68
(b) Retention money payable	55.08	78.85
Total	**89.63**	**107.53**

12A Other current financial liabilities

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Current maturities of long-term borrowings (Refer note 11.01)	10.06	16.41
(b) Interest accrued but not due on borrowings	1.10	2.76
(c) Foreign currency derivative liabilities	2.92	0.81
(d) Unpaid equity dividend	0.26	0.27
(e) Payables on purchase of property, plant and equipment	251.20	200.87
(f) Right of use lease liability (Refer note 11.01 & 40)	7.60	5.42
Total	**273.14**	**226.54**

13 Non-current provisions

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Provision for employee benefits:		
Provision for gratuity (Refer note 29)	185.64	137.49
(b) Provision for others:		
Provision for warranty (Refer note 13A.01)	25.08	20.68
Total	**210.72**	**158.17**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

13A Current provisions

₹ in million

Particulars			As at 31st March, 2021	As at 31st March, 2020
(a)	Provision for employee benefits:			
	i)	Provision for compensated absences	149.35	143.42
	ii)	Provision for gratuity (Refer note 29)	101.47	94.55
(b)	Provision for others:			
	i)	Provision for warranty (Refer note 13A.01)	48.05	54.55
Total			**298.87**	**292.52**

13A.01 Details of provision for warranty (Refer note 13 (b) and 13A (b))

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Carrying amount as at 1st April	75.23	66.31
Provision made during the year	29.12	71.52
Discounting/unwinding effect	0.11	(0.44)
Amount paid/utilised during the year	(31.33)	(62.16)
Carrying amount as at 31st March	73.13	75.23

Provision for warranty: The Company gives warranties on certain products from the date of sale, for their satisfactory performance during the warranty period as per the contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

14 Current borrowings

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Measured at amortised cost		
A. Secured borrowings (Refer note 14.01 and 14.02)		
a) Loans:		
- from bank	450.00	-
Cash credit/working capital demand loans	-	500.00
Total secured borrowings (A)	**450.00**	**500.00**
B. Unsecured borrowings (Refer note 14.02)		
From bank		
- Short Term Loan	-	961.00
Total unsecured borrowings (B)	**-**	**961.00**
Total (A+B)	**450.00**	**1,461.00**

14.01 Details of security provided in respect of current borrowings

Fund based secured working capital facilities outstanding from a consortium member bank as on March 31, 2021 is ₹ 450 million [Previous year ₹ 500 million].

The total working capital facilities sanctioned by the consortium member banks are secured by

a) first pari passu charge on, both present and/or future, current assets including inventory and receivables,

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

b) second pari passu charge on, both present and/or future, movable property, plant and equipment located at identified premises of the Company.

c) second pari pasu charge on identified immovable properties of the Company.

14.02 Details of interest rates for current borrowings

Short term foreign currency loans availed during FY2020-21 carries interest rate linked to LIBOR rates with mutually agreed spread [effective interest rate ranges between 1.5 % p.a. to 2.49 % p.a.(previous year 2.36% p.a. to 3.08%)]. Similarly, short term rupee denominated borrowings carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 1.7 % p.a. to 7.6 % p.a. (previous year 4.9% p.a. to 12.15% p.a.)].

15 Trade payables

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade payable for goods and services		
i) Total outstanding dues of micro and small enterprises (Refer note 30)	827.59	545.74
ii) Total outstanding dues of other than micro and small enterprises (other than acceptances)	4,440.81	3,410.21
Total	**5,268.40**	**3,955.95**

16 Other current liabilities

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Advances received from customers	49.11	63.76
(b) Income received in advance	3.35	4.76
(c) EPCG deferred payable	8.21	9.59
(d) Statutory remittances	452.06	230.07
(contribution to PF, ESIC, Withholding taxes, Goods and Service tax etc.)		
Total	**512.73**	**308.18**

17 Current tax liabilities (net)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Provision for tax (net of advance taxes and taxes deducted at source)	163.14	34.61
Total	**163.14**	**34.61**

17A Deferred tax assets/(liabilities)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(129.89)	(177.00)
Fair valuation of current investments	(0.44)	(22.32)
Others	(0.67)	(1.14)
Total	**(131.00)**	**(200.46)**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred tax assets		
On account of temporary differences in		
Provision for employee benefits	109.85	94.50
Provision for doubtful debts	0.32	0.32
Expenses disallowed	39.62	31.54
Long term Capital losses	-	0.41
Others	0.76	-
Total	**150.55**	**126.77**
Net deferred tax assets/(liabilities)	**19.55**	**(73.69)**

18 Revenue from operations (Refer note 18.01)

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Revenue from contracts with customers	46,589.65	48,201.58
(b) Other operating revenue	1,140.65	1,184.11
Total	**47,730.30**	**49,385.69**

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Revenue from contracts with customers		
i)	**Goods transferred at a point in time**		
	Sale of manufactured goods		
	Shock absorbers	18,528.05	18,737.99
	Disc brake assembly (including rotary disc)	4,696.00	4,983.04
	Aluminium die casting parts	13,293.53	14,482.89
	Alloy wheels	3,091.52	3,320.57
	Clutch and clutch parts	3,582.33	4,448.53
	Others	2,561.95	1,491.02
	Total - (A)	**45,753.38**	**47,464.04**
	Sale of traded goods		
	Components and spares	618.39	426.53
	Total - (B)	**618.39**	**426.53**
	Total - (A+B)	**46,371.77**	**47,890.57**
ii)	**Services transferred over time**		
	Job work receipts	217.88	311.01
	Revenue from contracts with customers (i+ii)	**46,589.65**	**48,201.58**
	Other operating revenue comprises:		
	Scrap sales	168.14	173.38
	Government incentives	904.00	906.14
	Wind power generation	5.21	8.73
	Export incentives	63.30	95.86
	Total	**1,140.65**	**1,184.11**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

18.02 Revenue from contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Outside India	1,849.56	2,167.26
India	44,740.09	46,034.32

18.03 Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue as per contracted price	**46,860.48**	**48,481.39**
Adjustments:		
Discounts	270.83	279.81
Revenue from contracts with customers	**46,589.65**	**48,201.58**

19 Other income

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Interest income		
i) Bank deposits	18.21	1.99
ii) Others	5.13	4.91
(b) Other non operating income		
i) Excess provision/creditors' balances written back	10.07	10.23
ii) Income from investments in mutual funds	37.35	45.01
iii) Profit on sale of property, plant and equipment (net)	12.16	110.42
iv) Income from insurance policy maturity	-	88.88
v) Miscellaneous income	37.46	53.44
(c) Net gain on foreign currency transactions	15.15	47.00
(other than considered as finance cost)		
Total	**135.53**	**361.88**

20A Cost of materials consumed

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening stock (including goods in transit)	912.13	903.98
Add: Purchases	29,972.07	30,092.68
	30,884.20	**30,996.66**
Less: Closing stock (including goods in transit)	1,091.07	912.13
Cost of materials consumed	29,793.13	30,084.53
Cost of materials capitalised	(101.27)	(77.84)
Total	**29,691.86**	**30,006.69**
Material consumed comprises		
i) Aluminium alloy	6,963.34	7,768.53
ii) Others	22,829.79	22,316.00
Total	**29,793.13**	**30,084.53**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

20B Purchases of stock-in-trade (traded goods)

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Components and spares	446.01	278.40
Total	**446.01**	**278.40**

20C Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Inventories at the end of the year		
Finished goods	(981.25)	(719.52)
Work-in-progress	(789.64)	(657.65)
Stock-in-trade	(83.30)	(32.70)
Inventories at the beginning of the year		
Finished goods	719.52	882.53
Work-in-progress	657.65	683.61
Stock-in-trade	32.70	31.87
Net (increase)/decrease	**(444.32)**	**188.14**

21 Employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Salary, wages and bonus	2,567.93	2,662.78
(b) Contribution to provident and other funds (Refer note 29)	224.00	217.16
(c) Staff welfare expenses	73.67	81.34
Total	**2,865.60**	**2,961.28**

22 Finance costs

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Interest expenses on		
i) Others	27.30	46.89
(b) Other borrowing costs		
i) Discounting charges on commercial paper	15.30	55.77
ii) Bank charges	5.37	5.49
Total	**47.97**	**108.15**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

23 Other expenses

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Stores and spares consumed	897.65	940.87
Packing material consumed	415.97	429.62
Tools and instruments consumed	195.18	202.83
Processing charges	1,390.66	1,362.34
Labour charges	1,054.33	1,082.97
Power, water and fuel	1,764.32	1,928.32
Rent	74.59	76.41
Repairs and maintenance:		
Plant and machinery	522.53	573.82
Building	31.37	37.82
General	158.37	176.62
Insurance	84.29	62.48
Rates and taxes	20.77	24.16
Travelling and conveyance	148.64	243.01
Freight	653.62	687.14
Advertisement	2.25	9.48
Donation	0.45	-
Payment to auditors (Refer note 23.01)	7.52	9.22
Directors fees and travelling expenses	13.47	26.88
Warranty claims	32.19	97.19
Expenditure on corporate social responsibility (Refer note 37)	60.00	137.12
Miscellaneous expenses	414.26	502.29
Total	**7,942.43**	**8,610.59**
Expenses capitalised	(87.10)	(82.57)
Total	**7,855.33**	**8,528.02**

23.01 Payment to auditors

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
As auditor		
Audit fee	7.50	7.15
Expenses reimbursed	0.02	1.12
In other capacity		
Other services (certification fees)	-	0.95
Total	**7.52**	**9.22**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

24 Taxes

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a)	Current Tax expenses	1,425.85	1,475.30
(b)	Deferred tax charge	(90.86)	(67.81)
	Total	**1,334.99**	**1,407.49**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a)	Net gain / (loss) on remeasurement of defined benefit plan	(9.44)	(58.05)
(b)	Income tax charged to OCI on remeasurement of defined benefit plan	2.38	14.61

(iii) Reconciliation of effective tax rate

₹ in million

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a)	Accounting profit before income tax	5,256.98	5,684.41
(b)	Enacted tax rate in India	25.17%	25.17%
(c)	Computed tax expense	1,323.08	1,430.65
(d)	Reconciliation items		
	Investment allowance reversal	1.04	6.45
	CSR expenditure & Donation	60.45	43.56
	Gain to be set off against carried forward losses	(23.17)	(73.84)
	Others	(17.55)	37.50
	Lease written off	26.56	25.28
(e)	Net adjustment	47.33	38.95
(f)	Tax expense/ (saving) on net adjustment (e*b)	11.91	9.81
(g)	Tax expense recognised in Statement of Profit and Loss (c+f)	1,334.99	1,440.47
(i)	Effect of change in income tax rate	-	(47.84)
(j)	Deferred Tax asset created on long term capital losses	-	14.86
(k)	Net tax expense recognised in Statement of Profit and Loss (g+h+i+j)	1,334.99	1,407.49

(iv) Details of carry forward losses on which no deferred tax asset is recognised by the Company is as follows:

₹ in million

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a)	Long term capital loss	-	139.54
(b)	Short term capital loss	-	2.87
	Total	**-**	**142.41**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

25 (a) Endurance Amann GmbH, Germany

The total investment of the Company in Endurance Amann GmbH, Germany (a wholly owned subsidiary of the Company) as on 31st March, 2021 amounts to ₹ 1,930.62 million (Euro 30.93 million) [Previous year ₹ 1,930.62 million (Euro 30.93 million)]

The equity of Endurance Amann amounting to Euro 3.25 million is represented by stock. Euro 0.2 million is held by Endurance Amann as treasury shares.

(b) Endurance Overseas Srl, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2021 amounts to ₹ 1,706.99 million (Euro 25.83 million) [Previous year ₹ 1,706.99 million (Euro 25.83 million)].

26 The total investment of the Company in Watsun Infrabuild Pvt Ltd as at 31st March 2021 amount to ₹ 1.45 million. (Previous year ₹ 1.45 million).

27 Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Operating Segment' represents a single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2.

In accordance with Ind AS - 108, "Operating Segments" segment information has been given in the consolidated Ind AS financial statements and therefore no separate disclosure on segment information is given in these financial statements.

28 Contingent liabilities and commitments

(a) Contingent liabilities (To the extent not provided for)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
i)	Excise matters[1]	80.53	71.97
ii)	Service tax matters[1]	0.06	2.82
iii)	Sales tax (VAT and CST) matters[1]	44.07	44.07
iv)	Income tax matters[1]	592.48	540.41
v)	Employees related matters[1]	0.50	0.80
vi)	Environment pollution control matters[2]	20.85	20.85

1 Future cash outflow, if any, in respect of these matters are determinable only on receipt of judgements / decisions pending at various stages before the appellate authorities.

2 Hon'ble National Green Tribunal (NGT) in the prior years, had directed the Company to deposit ₹ 100 million based on the initial report of M.S. University, Baroda for alleged inappropriate discharge of industrial effluents. Based upon Maharashtra Pollution Control Board's (MPCB) claim submission, the NGT vide its order dated 8th July, 2016 instructed MPCB to refund ₹ 70 million against the deposit given, which was duly received by the Company on 28th July, 2016. MPCB submitted a revised claim based on which the Hon'ble NGT vide its order dated 30th January, 2018 instructed MPCB to refund an additional amount of ₹ 9.15 million against the deposit. Accordingly, the Company received ₹ 9.15 million on 31st March, 2018.

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated 28th February, 2019.

As a matter of caution, the Company has implemented the change on a prospective basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(b) Commitments

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	918.63	539.41
(ii) Other commitment		
- Aluminium alloy	1,658.12	1,302.03
Total	**2,576.75**	**1,841.44**

29 In conformity with the principles set out in the Indian Accounting Standard (Ind AS) 19 Employee Benefits, details for defined contribution and benefit plans are given below:

(a) Defined contribution plan:

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Employers contribution to provident fund/pension fund	136.75	141.41
Employers contribution to superannuation fund	15.18	15.96
Employers contribution to ESIC	1.74	2.96
Employers contribution to Labour welfare fund	0.18	0.19
Total	**153.85**	**160.52**

Note: Above contributions are included in contribution to provident fund and other funds reported in note 21 of employee benefits expense.

(b) Defined benefit plan:

The defined benefit plan comprises gratuity (included in contribution to provident and other funds in note 21). The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method. The present value of accrued gratuity is provided in the books after reducing the fund value with Life Insurance Corporation of India.

I Reconciliation of benefit obligation:

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Liability at the beginning of the year	612.76	509.12
Interest cost	36.09	36.75
Current service cost	58.80	47.03
Benefits paid*	(61.40)	(38.32)
Remeasurement (gain) / loss	10.61	58.18
Liability at the end of the year	**656.86**	**612.76**

**Includes amounts directly paid by the Company.*

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

II Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fair value of plan assets at the beginning of the year	380.71	379.08
Interest income	22.48	27.47
Contributions	0.47	-
Benefits paid	(38.75)	(25.97)
Return on plan assets - gain / (loss)	4.84	0.13
Fair value of plan assets at the end of the year	369.75	380.71
Actual return on plan assets	27.32	27.60

III Amount to be recognized in the Balance Sheet

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Liability at the end of the year	656.86	612.76
Fair value of plan assets at the end of the year	369.75	380.71
Amount to be recognized in Balance Sheet - Net liability	287.11	232.06

IV Expenses recognized in the Statement of Profit and Loss under the head employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current service cost	58.80	47.03
Interest cost	13.61	9.28
Expenses recognized in Statement of Profit and Loss	72.41	56.31

In respect of funded benefits with respect to gratuity, the fair value of plan assets represents the amounts invested through "Insurer Managed Funds"

V Remeasurement for the year

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Experience (gain)/ loss on plan liabilities	(25.99)	17.03
Demographic (gain)/ loss on plan liabilities	-	-
Financial (gain)/ loss on plan liabilities	36.60	41.15
Experience (gain)/ loss on plan assets	(9.56)	(0.14)
Financial (gain)/ loss on plan assets	4.71	-

VI Amount recognized in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening amount recognized in OCI	122.56	64.51
Remeasurement for the year - obligation (gain)/ loss	10.61	58.18
Remeasurement for the year - plan assets (gain)/ loss	(4.84)	(0.13)
Total remeasurements cost / (credit) for the year recognized in OCI	5.77	58.05
Closing amount recognized in OCI	128.33	122.56

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

VII Principal actuarial assumptions:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount rate	6.30%	6.20%
Rate of return on plan assets	6.20%	7.50%
Salary escalation for the next year	7.00%	0.00%
Salary escalation after next year	7.00%	7.00%
Withdrawal rate	8.00%	8.00%

(i) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.

(ii) Salary escalation rate is the estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

(iii) Withdrawal rate is employee's turnover rate based on the company's past and expected employee turnover.

(iv) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the years ending, assessed on 31st March, 2021

₹ in million

Years ending	Amount
31st March, 2022	101.47
31st March, 2023	62.53
31st March, 2024	70.34
31st March, 2025	79.46
31st March, 2026	78.05
31st March, 2027 to 31st March, 2031	448.85

(v) Weighted Average duration of defined benefit obligation: 10.63 years

(vi) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2021 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Defined Benefit Obligation	615.00	573.21	704.14	657.50

₹ in million

B. Effect of 1 % change in the assumed salary escalation rate	1% Increase		1% Decrease	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Defined Benefit Obligation	697.28	651.41	620.24	583.28

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

C. Effect of 1 % change in the assumed withdrawal rate	1% Increase		1% Decrease	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Defined Benefit Obligation	654.70	611.24	659.21	614.43

30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(a) Principal amount payable to Micro, Small and Medium Enterprises (to the extent identified by the Company from the available information as at 31st March, 2021 is ₹827.59 million (Previous year ₹ 545.74 million). The unpaid amount outstanding for more than 45 days as of 31st March, 2021 is ₹ Nil (Previous year amount ₹ Nil).

(b) In the opinion of the Management, amount is paid to suppliers within 45 days during the period, as such no interest is payable.

(c) Interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil (Previous year ₹ Nil). Amount of interest accrued and remaining unpaid as at 31st March, 2021 is ₹ Nil (Previous year ₹ Nil)

31 Earnings per share (EPS)

₹ in million

	Particulars	Shares in Nos	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
a)	Earnings for the purpose of basic / diluted earnings per share -		
	Net profit after tax (₹ in million)	3,921.99	4,276.92
	Earnings attributable to equity share holders	3,921.99	4,276.92
b)	Weighted number of ordinary shares for the purpose of basic earnings per share	140,662,848	140,662,848
c)	Weighted number of ordinary shares for the purpose of diluted earnings per share	140,662,848	140,662,848
d)	Nominal value of equity shares ₹ each	10.00	10.00
e)	Basic and diluted earnings per share ₹ each	27.88	30.41

32 Fair Value Measurements

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security Deposits	59.30	63.01	59.30	63.01
(b) Other non current investments	11.49	11.49	11.49	11.49
(c) Trade receivable	8,125.08	4,737.58	8,125.08	4,737.58
(d) Loans to employees	12.61	20.10	12.61	20.10
(e) Interest accrued on deposits	0.01	0.45	0.01	0.45
(f) Cash in hand	0.28	0.33	0.28	0.33

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
(g) Cheques on hand	0.52	-	0.52	-
(h) Balance with banks in current account	342.00	1,252.48	342.00	1,252.48
(i) Balance held as Margin money against borrowings	0.12	0.44	0.12	0.44
(j) Receivable for sale of Property, plant and equipment	0.11	7.37	0.11	7.37
(k) Government incentives receivable	1,734.15	1,197.94	1,734.15	1,197.94
(l) Other financial assets	45.05	48.87	45.05	48.87
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	1,699.26	373.18	1,699.26	373.18
(b) Non current investments quoted	0.04	0.03	0.04	0.03
(c) Foreign currency derivative assets	0.33	8.14	0.33	8.14
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowing	27.27	42.84	27.27	42.84
(b) Current borrowing	450.00	1,461.00	450.00	1,461.00
(c) Security deposits received from dealers	34.55	28.68	34.55	28.68
(d) Retention money	55.08	78.85	55.08	78.85
(e) Current maturities of long-term borrowings	17.66	21.83	17.66	21.83
(f) Interest accrued but not due on borrowings	1.10	2.76	1.10	2.76
(g) Payables on purchase of Property, plant & equipment	251.20	200.87	251.20	200.87
(h) Trade payable	5,268.40	3,955.95	5,268.40	3,955.95
(i) Unpaid equity dividend	0.26	0.27	0.26	0.27
Financial liabilities measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	2.92	0.81	2.92	0.81

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds and foreign currency derivatives) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the end of reporting period was assessed to be insignificant.

Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data

The following table presents our assets and liabilities measured at fair value on recurring basis at 31st March, 2021 and 31st March, 2020.

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2021			
Investment in mutual funds	1,699.26	-	-
Equity	0.04	-	-
Foreign currency derivatives asset	0.33	-	-
Foreign currency derivatives liability	2.92	-	-
31st March, 2020			
Investment in mutual funds	373.18	-	-
Equity	0.03	-	-
Foreign currency derivatives asset	8.14	-	-
Foreign currency derivatives liability	0.81	-	-

During the year ended 31st March, 2021, there were no transfer between Level 1 and Level 2 fair value measurement.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

33 Financial Instruments and Risk Review

I. Capital Management

The Company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows:

₹ in million

Particulars	31st March, 2021	31st March, 2020
Net Debt (A)[1]	(1,546.87)	(100.05)
Equity (B)	27,082.57	23,167.64
Debt Ratio (A / B)	Net negative debt	Net negative debt

1 Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings and right-of-use lease obligation, net off current investments and cash and cash equivalents.

II. Financial Risk Management Framework

The Company is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to contractual terms. Credit risk encompasses, the risk of default, the risk of deterioration of creditworthiness of the counterparty as well as concentration of risks.

Financial instruments that are subject to exposure to credit risk consist of trade receivables, investments and other financial assets.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from operating activities, primarily from trade receivables.

Trade receivables

Trade receivables consist of receivables arising primarily due to sale of goods. These receivables are unsecured and mature at the end of a specified credit period depending upon the terms of contract of each customer, which ranges from 30-60 days for customers in India and 30-120 days for overseas customers. The Company's customers primarily consist of Original Equipment Manufacturers ("OEM") for its primary products and Dealers for spare parts.

The Company assesses the credit risk of its customers and dealers at the time of acceptance of the customer as well as on an ongoing basis. Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit limit of these customers and dealers is continuously monitored and recalibrated based on the credit risk assessment. Most of the OEM's have high credit ratings which helps the Company mitigate credit risk.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The Company assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Company recognizes lifetime expected credit losses for all trade receivables that do not constitute a financing transaction and which are due for more than six months. The expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2021				
Estimated total gross carrying amount	6,211.94	1,913.14	1.27	8,126.35
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	6,211.94	1,913.14	-	8,125.08

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2020				
Estimated total gross carrying amount	1,052.95	3,684.63	1.27	4,738.85
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	1,052.95	3,684.63	-	4,737.58

* *Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.*

The Movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	1.27	1.27
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
Balance at the end of the period/year	1.27	1.27

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 69% of total receivables as of 31st March, 2021 (78% as at Previous year), however there was no default on account of those customers in the past.

The Company considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Company is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Company considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Company is of the view that recovery seems unlikely after reasonable efforts.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	31st March, 2021		31st March, 2020	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	8,125.08	-	4,737.58	-
Total	**8,125.08**	**-**	**4,737.58**	**-**

Investments and other financial assets

Investments consist mainly of investments in subsidiaries and investments in mutual funds and fixed deposits. Other financial assets consist of Govt incentive receivable, export incentive and security deposits for business purposes.

Investments in mutual funds are primarily those instruments which have been approved by the Board and are in low-risk category and are continuously monitored by the investment committee of the Board. The Company considers credit risk in investments as well as in other financial assets to be very low.

ii) Liquidity Risk

Liquidity risk is the risk that the Company may not be in a position to meet its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure availability of adequate funds for business. The Company generates sufficient internal accruals and generally the purpose of borrowings is to meet temporary fund flow mismatches and sometimes to meet regular capital expenditures. The Company maintains a very low debt to equity ratio.

The maturity profile of various financial liabilities is as given below. These amounts have been drawn up based on the undiscounted cash flows of various financial liabilities based on the earliest date on which the Company can be required to pay.

₹ in million

Particulars	31st March, 2021		31st March, 2020	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	5,268.40	-	3,955.95	-
Other financial liabilities	273.14	89.63	226.54	107.53
Working capital demand loans / Term loans	450.00	27.27	1,461.00	42.84
Total	**5,991.54**	**116.90**	**5,643.49**	**150.37**

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk like commodity prices risk.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations which have floating rate indebtedness. The Company also maintain deposits of cash and cash equivalents with banks and other financial institutions which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Company and on the cash and cash equivalents.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Financial statement item	Variable rate WCDL / CC balance / ECB
31st March, 2021	INR	+100	(4.50)	Debt obligation	450.00
	INR	-100	4.50	Debt obligation	450.00
31st March, 2020	INR	+100	(14.61)	Debt obligation	1,461.00
	INR	-100	14.61	Debt obligation	1,461.00

2) Foreign Currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At a standalone level the Company is exposed to currency risk of changes in EURO, USD, CHF, CNY, GBP, SGD and JPY. However, the risk of changes in foreign exchange rates on the statement of profit or loss and other comprehensive income is not material. The Company has an exposure to changes in foreign exchange (primarily EURO) on account of its investments in its subsidiaries.

Wherever, transactions are undertaken in foreign currency, the Company hedges the risk of foreign exchange fluctuation by using derivative financial instruments in line with its risk management policies. The investment in subsidiaries being long term in nature is unhedged. The information on derivative instruments and the unhedged foreign currency exposures are as follows:

(a) Details of Forward Exchange Contract

Particulars	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD - INR	USD	5.07	372.47	3.39	255.43
No. of Contracts		29		31	
Forward contract - EUR - INR	EURO	0.62	53.72	1.30	107.68
No. of Contracts		15		25	

(b) Foreign currency exposures that are not hedged by derivative instruments

Particulars	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
I. Trade receivables :	USD	1.36	99.72	0.71	53.65
	EURO	1.23	105.79	0.67	55.63
			205.51		109.28
II. Trade payable and capital creditors:	CHF	-	-	-	-
	USD	(1.03)	(75.59)	(0.26)	(19.39)
	EURO	(0.23)	(19.65)	(0.35)	(28.96)
	GBP	(0.02)	(2.11)	(0.07)	(6.11)
	CNY	(0.06)	(0.67)	(0.03)	(0.31)
	JPY	-	-	(2.69)	(1.87)

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Particulars	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
	SGD	(0.00)	(0.17)	-	-
			(98.19)		(56.64)
	USD	0.33	24.13	0.45	34.26
	EURO	1.00	86.14	0.32	26.67
	GBP	(0.02)	(2.11)	(0.07)	(6.11)
	CNY	(0.06)	(0.67)	(0.03)	(0.31)
	JPY	-	-	(2.69)	(1.87)
	SGD	(0.00)	(0.17)	-	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, EURO, GBP, CHF, JPY and CNY exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
31st March, 2021	USD	+10%	2.41
	USD	-10%	(2.41)
	EUR	+10%	8.61
	EUR	-10%	(8.61)
	GBP	+10%	(0.21)
	GBP	-10%	0.21
	CNY	+10%	(0.07)
	CNY	-10%	0.07
31st March, 2020	USD	+10%	3.43
	USD	-10%	(3.43)
	EUR	+10%	2.67
	EUR	-10%	(2.67)
	GBP	+10%	(0.61)
	GBP	-10%	0.61
	JPY	+10%	(0.19)
	JPY	-10%	0.19
	CNY	+10%	(0.03)
	CNY	-10%	0.03

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

3) Commodity Price risk

The Company is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially ferrous and non-ferrous metals. Historically, as a practice, and as per our understanding with customers, the Company has passed on an increase in the cost of metals, especially aluminium and steel to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the material prices.

34 Related party disclosure as required by Ind-AS 24 is annexed. Key Management Personnel (KMP) has been identified as per Ind-AS 24.

35 Government incentives:

(a) Industrial Promotion Subsidy:

Incentive under Mega Project Scheme - PSI 2013

The Company recognises grant income under the Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on sale of goods, as management believes that the realisability of the grant income is reasonably certain.

The Company in September 2020 received an addenda to its eligibility certificate for grant of incentive under PSI Scheme towards the additional investment made in the FY 2018-19. The Company accordingly recognised ₹ 279.37 million incentive as a one time adjustment in the quarter ended 30th September, 2020 relating to FY 2018-19 and FY 2019-20.

Accordingly, in the quarters ended 30th June, 2020; 30th September, 2020; 31st December, 2020 and 31st March, 2021 the Company recognized an amount of ₹100.12 million, ₹257.83 million, ₹234.17 million and ₹ 0.69 million respectively as grant income based on the underlying sales transaction for the year ended 31st March, 2021.

As a result, the cumulative grant income recognized during the year stands at ₹872.18 million (Previous year ₹874.24 million).

(b) EPCG benefit:

During FY 2018-19 the Company had imported plant and equipment under EPCG scheme and saved customs duty of ₹ 19.11 million against the export obligation of ₹ 114.67 million, the duty saved was capitalized. The pending export obligation as on 31st March, 2021 is ₹ 49.27 million (previous year ₹ 57.52 million).

In accordance with Ind-AS 20, ₹ 1.37 million (previous year ₹ 5.80 million) is recognized as incentive received, included in other operating revenue, on account of proportionate fulfilment of the export obligation.

(c) Export Incentive:

Effective January 1, 2021, Remission of Duties and Taxes on Export Product (RODTEP) scheme has been introduced replacing MEIS. The company has not recognised any income under RODTEP scheme during the period January 1, 2021 till March 31, 2021 as the products and rates of benefit under RODTEP scheme are pending to be notified by the Central Government.

36 The capital and revenue expenditure incurred by the in-house R&D Units (hereinafter referred as "R&D Centre") recognized by Department of Scientific and Industrial Research (DSIR) except Test Track, are as under:

₹ in million

Particulars	Test Track	L-6/3/1	R&D Centre at			
			E-93	B-1/3	K-226/2	K-226/1
i) Capital expenditure						
(Including CWIP)						
For the year ended 31st March, 2021	15.58	38.17	10.91	7.13	8.49	2.92
For the year ended 31st March, 2020	100.22	-	8.54	5.24	15.84	3.54
ii) Revenue expenditure						
For the period ended 31st March, 2021						

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₹ in million

Particulars	Test Track	L-6/3/1	R&D Centre at			
			E-93	B-1/3	K-226/2	K-226/1
Salaries/wages	1.34	0.23	89.49	31.95	43.92	31.60
Materials/consumables/spares/tools	0.28	0.08	6.90	0.33	59.63	2.74
Utilities	2.08	-	6.68	1.96	6.08	2.26
Any other expenditure directly relating to R & D	11.87	0.59	16.69	19.37	26.00	8.16
Total Revenue expenditure	**15.57**	**0.90**	**119.76**	**53.61**	**135.63**	**44.76**
For the year ended 31st March, 2020						
Salaries/wages	1.51	-	100.75	32.08	49.70	33.08
Materials/consumables/spares/tools	0.54	-	6.45	0.37	53.61	4.06
Utilities	3.49	-	11.40	2.92	7.25	2.82
Any other expenditure directly relating to R & D	15.66	-	32.02	22.44	25.50	20.11
Total Revenue expenditure	**21.20**	**-**	**150.63**	**57.81**	**136.06**	**60.08**

37 Corporate social responsibility (CSR)

i) Pursuant to Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year and that approved by the board is ₹ 103.97 million (previous year ₹ 86.38 million).

ii) (a) The company has made a contribution of ₹ 50.0 million on 31st March, 2020 to the PM-Cares Fund to support the Government of India in its relief and rehabilitation measures towards the COVID-19 pandemic outbreak. As the CSR spending requirement for the previous year had already been fulfilled, this contribution is considered towards spending requirement for CSR activity for financial year 2020-21.

(b) In the previous year the Company had also contributed ₹ 0.12 million to Mother Global Foundation.

iii) The Company has contributed during the year ended 31st March, 2021 ₹ 60.0 million (Previous year ended 31st March, 2020 ₹ 87.0 million) to Sevak Trust and salary of CSR staff ₹ 1.46 million (Previous year ₹ 1.52 million).

Sevak Trust has implemented following projects:

₹ in million

Nature of expenditure	For the year ended 31st March, 2021	For the year ended 31st March, 2020
i) Construction/acquisition of any asset	18.80	49.00
ii) On the purpose other than (i) above		
Village Development Project (VDP)	19.77	23.70
Vocational Training Centre (VTC)	8.99	13.00
HP World on wheels Computer Training	1.23	1.08
General activities	0.71	-
Balwadi	0.12	0.22
iii) Covid 19 Pandemic	10.39	-
Total paid to Sevak Trust	**60.00**	**87.00**
Salary of CSR staff (included in Employee benefits expense)	1.46	1.52
Total	**61.46**	**88.52**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

iv) Together, the contribution to PM-Cares fund of ₹ 50.0 million and the Sevak Trust spending on various projects of ₹ 61.46 million, the company's spending on CSR activities comes to ₹ 111.46 million. Thus, there is an excess spending of ₹ 7.49 million for FY 2020-21 over its spending requirement of ₹ 103.97 million, which the company is eligible to carry forward in FY 2021-22. Below is the summary of excess CSR spending done by the Company:

₹ in million

Opening Balance of excess amount spent	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing Balance of excess amount spent**
50	103.97	61.46	7.49

38 On 19th May, 2021, the Board of Directors of the Company proposed a dividend of ₹ 6 per equity share of face value ₹ 10 each in respect of the year ended 31st March, 2021. The dividend payout is subject to approval of the shareholders at the Annual General Meeting.

During the previous year, final dividend for the year ended 31st March, 2019 was declared and paid at ₹ 5.50 per equity share of face value ₹ 10 each and also interim dividend for the year ended 31st March, 2020 was declared and paid at ₹ 5.50 per equity share of face value ₹ 10 each.

39 Coronavirus Disease (COVID-19) has resulted in the Company temporarily suspending the operations of all its manufacturing units in India during the first quarter of the financial year. COVID-19 has impacted the normal business operations of the Company by way of interruption in production and sale of finished goods, supply chain disruption, limited availability of personnel etc. However, production and sale of goods have commenced in a phased manner through April and May 2020.

The Company has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully considered all the possible impact of known events in the preparation of the standalone Ind AS financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

40 Company as lessee

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movement during the year:

₹ in million

Particulars	**For the year ended 31st March, 2021**	**For the year ended 31st March, 2020**
As at 1st April	34.89	33.89
Additions	3.66	6.02
Accretion of interest	2.80	2.70
Payments	(9.79)	(7.72)
As at 31st March	31.56	34.89
Current	*7.60*	*5.42*
Non current	*23.96*	*29.47*

The maturity analysis of lease liability is disclosed in note 11.01

The effective interest rate for lease liabilities is 8.0%, with maturity between 2021-2028

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The following are the amounts recognized in the statement of profit or loss:

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation expense of right-of-use assets	8.41	6.63
Interest expense on lease liabilities	2.80	2.70
Total amount recognized in profit or loss	11.21	9.33

During the year the Company had total cash outflows for leases of ₹ 9.79 million (previous year ₹ 7.72 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 3.66 million(previous year ₹ 6.02 million).

41 During the year, the Company announced a Voluntary Separation scheme (VSS) for its employees, who have completed minimum 10 years of service and are above 40 years of age at its B-2 Waluj plant. Eighty six employees opted for the scheme. The company settled the dues to employees on 1st December, 2020. The company also paid ₹ 112.25 million as separation compensation to the said employees on 27th November, 2020 which is disclosed as an exceptional item in the statement of profit and loss.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive
Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Related Party Disclosure

(For the year ended 31st March, 2021)

(Refer Note 34)

a) List of Related Parties and nature of relationships

S.No.	Description of Relationship	Name of Related Party/Persons
1	Holding Company	None
2	Subsidiaries Direct / Indirect	Endurance Amann GmbH, Germany (Direct Subsidiary)
		Endurance Overseas S.r.L., Italy (Direct Subsidiary)
		Endurance S.p.A, Italy (Indirect Subsidiary)
		Endurance Engineering S.r.L., Italy (Indirect Subsidiary)
		Endurance Castings S.p.A., Italy (Indirect Subsidiary)
		Endurance Adler S.p.A, Italy (Indirect Subsidiary)
3	Fellow Subsidiaries	None
4	Associates	None
5	Key Management Personnel	Mr. Naresh Chandra, Chairman (upto 10th November, 2020)
		Mr. Soumendra Basu, Chairman (w.e.f. 10th November, 2020)
		Mr. Anurang Jain, Managing Director
		Mr. Satrajit Ray, Director and Group CFO
		Mr. Ramesh Gehaney, Director and COO
		Mrs. Varsha Jain, Director (w.e.f. 10th November, 2020)
		Mr. Partho Datta, Independent Director (upto 1st May, 2021)
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mrs. Falguni Nayar, Independent Director (upto 9th February, 2021)
		Mr. Indrajit Banerjee, Independent Director (w.e.f. 9th February, 2021)
		Mr. Massimo Venuti, Non-executive Director
6	Relatives of Key Management Personnel with whom transactions have taken place	Mr. Naresh Chandra - Father of Mr. Anurang Jain
		Mrs. Suman Jain - Wife of Mr. Naresh Chandra
		Mrs. Varsha Jain - Wife of Mr. Anurang Jain
		Ms. Rhea Jain - Daughter of Mr. Anurang Jain
		Mr. Rohan Jain - Son of Mr. Anurang Jain
7	Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Varroc Engineering Limited (upto 10th November, 2020)

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Related Party Disclosure

(For the year ended 31st March, 2021)

(Refer Note 34)

b) Transactions carried out with the related parties in ordinary course of business (Previous year figures are in brackets)

₹ in million

Nature of Transactions	Subsidiaries	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Purchase of raw material and components	1.91	-	-	2.22	4.14
	-	-	-	(48.60)	(48.60)
Purchase of Property, plant & equipment	1.94	-	-	-	1.94
	-	-	-	-	-
Purchase of services	5.85	-	-	-	5.85
	-	-	-	-	-
Sale of products	14.45	-	-	-	14.45
	(6.68)	-	-	-	(6.68)
Sale of Property, plant & equipment	5.06	-	-	-	5.06
	-	-	-	-	-
Sale of services	1.60	-	-	-	1.60
	-	-	-	-	-
Remuneration* - Short Term Employee Benefits	-	98.26	11.29	-	109.55
	-	(109.23)	(12.49)	-	(121.72)
Directors' Sitting Fees	-	2.22	-	-	2.22
	-	(2.46)	-	-	(2.46)
Directors' Commission	-	10.75	-	-	10.75
	-	(10.75)	-	-	(10.75)
Professional Fees	-	1.86	-		1.86
	-	(3.19)	-	-	(3.19)
Reimbursement of Travelling & Other Expenses	-	0.01	0.02	-	0.03
	-	(0.75)	-	-	(0.75)
Dividend Paid	-	-	-	-	-
	-	^(974.68)	#(185.79)	-	(1,160.47)
Interest Receipts	0.27	-	-	-	0.27
	-	-	-	-	-
Expenses Recovered	-	-	-	0.00	0.00
	-	-	-	-	-
Other Income	-	-	-	0.00	0.00
	-	-	-	(0.01)	(0.01)
Balances Outstanding as at 31st March, 2021					
i) Payables	-	3.56	0.27	-	3.83
	-	(10.79)	(0.22)	(1.87)	(12.88)
ii) Receivables	8.60	-	-	-	8.60
	(3.98)	-	-	-	(3.98)
iii) Investments	3,637.61	-	-	-	3,637.61
	(3,637.61)	-	-	-	(3,637.61)

* *Post employment benefits payable in the form of gratuity and other long term benefits in the form of compensated absences are calculated on the basis of actuarial valuation. Amount payable for individual employees as at 31st March, 2021 (31st March, 2020) cannot be separately identified and therefore has not been included in above. There are no termination benefits, share based payments given to Key Management Personnel and their relatives.*

^ *Includes ₹ Nil (₹ 311.30 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.*

^ *Includes ₹ Nil (₹ 186.01 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.*

Includes ₹ Nil (₹ 185.79 million) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Related Party Disclosure

(For the year ended 31st March, 2021)

(Refer Note 34)

c) Disclosure in respect of material transactions with related parties (Previous year figures are in brackets)

₹ in million

Nature of Transactions	Endurance Overseas S.r.L., Italy	Endurance Adler S.p.A, Italy	Endurance S.p.A., Italy	Varroc Engineering Limited (upto 10.11.2020)	Total
Purchase of raw material and components	-	1.91	-	2.22	4.14
	-	-	-	(48.60)	(48.60)
Purchase of Property, plant & equipment	-	1.94	-	-	1.94
	-	-	-	-	-
Purchase of services	-	5.85	-	-	5.85
	-	-	-	-	-
Sale of products	-	14.45	-	-	14.45
	(1.51)	-	(5.17)	-	(6.68)
Sale of Property, plant & equipment	-	5.06	-	-	5.06
	-	-	-	-	-
Sale of services	-	1.60	-	-	1.60
	-	-	-	-	-
Interest Receipts	-	0.27	-	-	0.27
	-	-	-	-	-
Other Income	-	-	-	0.00	0.00
	-	-	-	(0.01)	(0.01)
Balances Outstanding as at 31st March, 2021					
i) Payables	-	-	-	-	-
	-	-	-	(1.87)	(1.87)
ii) Receivables	-	8.60	-	-	8.60
	(1.51)	-	(2.47)	-	(3.98)

Outstanding balances as at the year end are unsecured and settlement occurs in cash and cash equivalents. There are no guarantees provided or received for any related party receivables/payables.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Endurance Technologies Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Endurance Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Accounting for income from government grants(Refer note 36(a) of the consolidated financial statements)	
The Company recognises grant income under the Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on sale of goods, as management believes that the realisability of the grant income is reasonably certain. The Company in the current year received an addenda to its eligibility certificate for grant of incentive under PSI Scheme towards the additional investment made in the FY 2018-19; and accordingly, recognised ₹ 279.37 million incentive as a one-time adjustment in the current year relating to FY2018-19 and FY 2019-20. The cumulative grant income recognized during the year stands at ₹872.18 million .	We have performed the following procedures : 1. Obtained and read the eligibility certificate and the addenda to the eligibility certificate received by the Company from the Government of Maharashtra. 2. Read the terms and conditions attached in the package scheme of incentives 2013 issued by the Government of Maharashtra. 3. Assessed and tested the compliance by the Company in relation to recognition of income in accordance with Ind-AS

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matters	How our audit addressed the key audit matter
Accordingly, income from government grant is considered a key audit matter.	4. Tested the accounting entries effected in the books of accounts with the underlying workings 5. Assessed the disclosures in the consolidated financial statements for compliance with relevant standards
Acquisition of subsidiaries during the year (as described in Note 26 (c) of the consolidated financial statements)	
Effective April 15, 2020 Endurance Overseas Srl ('EOSrl'), a wholly owned subsidiary of the Holding Company, acquired controlling equity stake of 99% in Adler SpA. Post acquisition, the name of Adler SpA has been changed to Endurance Adler SpA. Effective May 21, 2020 Endurance Adler SpA acquired 100% stake in Grimeca Srl. These acquisitions were accounted for using the acquisition method where the Group performed a provisional purchase price allocation ("PPA") exercise during the year and a final PPA exercise as at year-end which resulted in the recognition of goodwill of ₹55.80 million. The auditors of EOSrl has considered the audit of accounting for these acquisitions to be a key audit matter as these are significant transactions during the year which require significant management judgement regarding the allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired entities with those of the Group.	The procedures performed by the auditors of EOSrl, as reported by them, included the following: 1. As part of audit procedures on the accounting for the acquisition, read the purchase agreements to obtain an understanding of the transactions and the key terms. 2. Evaluated the timing and appropriateness of the accounting treatment and consideration of the acquisition based on the contractual agreements. 3. Tested management's identification and fair value measurement of the acquired assets and liabilities based on discussion with management and understanding of the business of the acquired companies. In particular, focused on detecting the value drivers for the identified intangible assets to be measured by analyzing whether the assumptions for the value drivers for brands, patents and technical knowhow were appropriate and consistent with observable market parameters. In addition to the above procedures; we have performed the following procedures : 1. Assessed the adequacy of the related disclosures in the consolidated financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report, (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditors report and Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and

INDEPENDENT AUDITOR'S REPORT (CONTD.)

performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

OTHER MATTER

(a) We did not audit the financial statements and other financial information, in respect of six subsidiaries whose financial statements include total assets of ₹ 27,558.45 million as at March 31, 2021, and total revenues of ₹ 17,974.32 million and net cash outflows of ₹ 165.88 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Holding Company and its subsidiary companies, since none of the subsidiaries are incorporated in India, no separate report is being issued with reference to these consolidated financial statements of the Holding Company. Also refer Annexure 2 to the independent auditors' report dated 19th May 2021, issued on the standalone financial statements of the Holding Company regarding Internal controls Over Financial Reporting;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 28 to the consolidated financial statements;

ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2021.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 21089802AAAABE4584

Place of Signature: Pune
Date: May 19, 2021

CONSOLIDATED BALANCE SHEET

as at 31st March, 2021

₹ in million

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	23,509.25	24,104.22
(b) Capital work-in-progress		929.92	1,064.54
(c) Goodwill	25	1,739.83	1,624.39
(d) Other Intangible assets	3	776.59	334.42
(e) Intangible assets under development		31.65	194.98
(f) Financial assets			
(i) Investments	4	11.95	11.92
(ii) Loans	5	26.78	-
(iii) Other financial assets	5A	66.04	973.41
(g) Deferred tax assets (net)	17A	602.43	320.77
(h) Other non-current assets	6	738.91	594.87
		28,433.35	**29,223.52**
2. Current assets			
(a) Inventories	7	6,118.49	5,501.02
(b) Financial assets			
(i) Investments	4A	4,431.36	1,648.27
(ii) Trade receivables	8	10,409.76	6,727.43
(iii) Cash and cash equivalents	9	5,132.87	6,208.75
(iv) Bank balances other than (iii) above	9A	0.38	0.71
(v) Loans	5B	53.19	20.10
(vi) Other financial assets	5C	1,809.93	391.38
(c) Current tax assets (net)	6A	334.97	333.20
(d) Other current assets	6B	641.41	644.69
		28,932.36	**21,475.55**
3. Asset held for sale	41	109.78	-
Total Assets (1+2+3)		**57,475.49**	**50,699.07**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	34,214.54	28,653.81
Equity attributable to the shareholders of the Company		**35,621.17**	**30,060.44**
Non-controlling interests		0.24	**-**
Total equity		**35,621.41**	**30,060.44**
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	3,791.83	4,020.86
(ii) Other financial liabilities	12	89.79	118.21
(b) Provisions	13	733.60	776.69
(c) Deferred tax liabilities (net)	17A	5.11	78.70
		4,620.33	**4,994.46**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	450.00	1,461.00
(ii) Trade payables:	15		
(a) Total outstanding dues of micro enterprises and small enterprises		827.59	545.74
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,955.71	10,116.53
(iii) Other financial liabilities	12A	2,712.31	2,643.46
(b) Other current liabilities	16	826.13	508.78
(c) Provisions	13A	298.87	334.05
(d) Current tax liabilities (net)	17	163.14	34.61
		17,233.75	**15,644.17**
Total Equity and Liabilities (1+2+3)		**57,475.49**	**50,699.07**
Significant accounting policies	2		

See accompanying notes to the financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2021

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I	Revenue from operations	18	65,470.18	69,177.07
II	Other income	19	307.13	475.97
III	**Total income (I + II)**		**65,777.31**	**69,653.04**
IV	**Expenses:**			
(a)	Cost of materials consumed	20A	34,976.46	37,045.21
(b)	Purchases of stock-in-trade (traded goods)	20B	896.20	278.40
(c)	Changes in stock of finished goods, stock-in-trade and work-in-progress	20C	(167.08)	28.47
(d)	Employee benefits expense	21	6,760.57	6,773.25
(e)	Finance costs	22	137.59	175.39
(f)	Depreciation and amortisation expense	3	3,991.38	4,142.83
(g)	Other expenses	23	12,601.92	13,744.03
	Total expenses (IV)		**59,197.04**	**62,187.58**
V	**Profit before exceptional items and tax (III-IV)**		**6,580.27**	**7,465.46**
VI	Exceptional items	40	112.25	-
VII	**Profit before tax (V - VI)**		**6,468.02**	**7,465.46**
VIII	Tax expense			
	Current tax expense		1,581.85	1,883.07
	Short/(excess) provision for tax relating to prior years		(18.84)	(12.77)
	Total current tax expense		1,563.01	1,870.30
	Deferred tax (credit)/charge		(290.68)	(60.18)
	Total tax expense	24	**1,272.33**	**1,810.12**
IX	**Profit for the year (VII - VIII)**		**5,195.69**	**5,655.34**
X	Other comprehensive income			
	Items that will not be reclassified to profit and loss in subsequent years			
	Remeasurements of defined benefit plans		(24.20)	(46.86)
	Income-tax effect		6.49	11.49
	Total		(17.71)	(35.37)
	Items that will be reclassified to profit and loss in subsequent years			
	Exchange differences on translation of foreign operations		379.96	659.02
	Total other comprehensive income for the year		**362.25**	**623.65**
XI	**Total comprehensive income for the year (IX + X)**		**5,557.94**	**6,278.99**
XII	**Profit for the year attributable to:**			
	Shareholders of the Company		5,197.06	5,655.34
	Non controlling interest		(1.37)	-
	Total		5,195.69	5,655.34
XIII	**Total comprehensive income for the year attributable to:**			
	Shareholders of the Company		5,559.31	6,278.99
	Non controlling interest		(1.37)	-
	Total		5,557.94	6,278.99
XIV	Basic and diluted earnings per equity share (₹) (Face value per equity share ₹ 10)	33	36.95	40.20
	Significant accounting policies	2		

See accompanying notes to the financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2021

A Equity Share Capital

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning and at the end of the year	1,406.63	1,406.63

B Changes in other equity

₹ in million

Particulars	Reserves and Surplus				Other Comprehensive Income	Equity attributable to shareholders of the Company	Non Controlling Interests	Total Equity
	Securities premium	General reserve	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at 1st April, 2019	160.40	1,193.98	209.32	22,034.50	641.96	24,240.16	-	24,240.16
Profit for the year	-	-	-	5,655.34	-	5,655.34	-	5,655.34
Other comprehensive income for the year, net of tax	-	-	-	(35.37)	659.02	623.65	-	623.65
Payment of dividend (refer note 37)	-	-	-	(1,547.29)	-	(1,547.29)	-	(1,547.29)
Tax on dividend	-	-	-	(318.05)	-	(318.05)	-	(318.05)
Subtotal	**-**	**-**	**-**	**3,754.63**	**659.02**	**4,413.65**	**-**	**4,413.65**
Balance as at 31st March, 2020	160.40	1,193.98	209.32	25,789.13	1,300.98	28,653.81	-	28,653.81

₹ in million

Particulars	Reserves and Surplus				Other Comprehensive Income	Equity attributable to shareholders of the Company	Non Controlling Interests	Total Equity
	Securities premium	General reserve	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at 1st April, 2020	160.40	1,193.98	209.32	25,789.13	1,300.98	28,653.81	-	28,653.81
Profit for the year	-	-	-	5,197.06	-	5,197.06	(1.37)	5,195.69
Other comprehensive income/ (loss) for the year, net of tax	-	-	-	(17.71)	379.96	362.25	-	362.25
Non controlling interest created on acquisition of subsidiary	-	-	-	-	-	-	3.03	3.03
Allocated to Non-controlling Interest	-	1.42		-	-	1.42	(1.42)	-
Subtotal	**-**	**1.42**	**-**	**5,179.35**	**379.96**	**5,560.73**	**0.24**	**5,560.97**
Balance as at 31st March, 2021	160.40	1,195.40	209.32	30,968.48	1,680.94	34,214.54	0.24	34,214.78

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2021

₹ in million

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A	**Cash flow from operating activities**		
	Profit before tax	6,468.02	7,465.46
	Adjustments for:		
	Depreciation and amortisation expense	3,991.38	4,142.83
	Incentive received	(1.37)	(5.80)
	Allowance for doubtful debts	(0.90)	2.94
	Bad debts written off	1.00	1.04
	Finance costs incurred	131.67	169.43
	Excess provision/creditors written back	(10.07)	(16.82)
	Profit on sale of property, plant and equipment (net)	(47.60)	(112.86)
	Interest income	(26.96)	(8.82)
	Income from investments in mutual funds	(43.49)	(55.65)
	Unrealised exchange (gain)/loss differences (net)	16.45	(37.49)
	Exchange difference arising on consolidation	170.29	287.75
	Operating profit before working capital changes	**10,648.42**	**11,832.01**
	Movement in working capital		
	Adjustments for (increase)/decrease in operating assets		
	Inventories	(466.48)	(100.88)
	Trade receivables	(3,556.35)	2,527.46
	Other financial assets	(483.48)	(876.60)
	Other assets	77.37	111.83
	Adjustments for increase/(decrease) in operating liabilities		
	Trade payables	1,849.85	(1,057.43)
	Provisions	(220.10)	114.06
	Other current liabilities	152.75	(211.89)
	Other financial liabilities	(48.38)	31.76
	Cash generated from operating activities	**7,953.60**	**12,370.32**
	Direct taxes paid (net of refund)	(1,738.76)	(2,256.36)
	Net cash generated from operating activities	**6,214.84**	**10,113.96**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment (including capital work in progress and capital advances)	(3,750.74)	(5,825.20)
	Proceeds on sale of property, plant and equipment	636.70	353.31
	(Increase)/Decrease in other bank balances	0.33	1.07
	Investment in equity shares	(0.02)	0.87
	Redemption / (Investment) in mutual funds and other instruments, net	(2,739.60)	(1,244.45)
	Acquisition of subsidiaries (Refer note 26 (c))	(80.50)	-
	Interest received	27.40	8.45
	Net cash used in investing activities	**(5,906.43)**	**(6,705.95)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2021

₹ in million

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
C	**Cash flow from financing activities**		
	Proceeds from long term borrowings	2,957.15	1,953.40
	Repayment of long term borrowings	(3,162.43)	(1,766.16)
	Repayment of short term borrowings (net)	(1,011.00)	(659.00)
	Finance costs paid	(133.89)	(168.82)
	Dividend paid including tax on dividend	(0.01)	(1,865.16)
	Repayment of lease liability	(79.95)	(70.69)
	Net cash used in financing activities	**(1,430.13)**	**(2,576.43)**
	Net (decrease)/ increase in cash and cash equivalents	**(1,121.72)**	**831.58**
	Cash and cash equivalents taken over on acquisition	45.84	-
	Adjusted net (decrease)/increase in cash and cash equivalents	**(1,075.88)**	**831.58**
	Cash and cash equivalents at the beginning of the year	6,208.75	5,377.17
	Cash and cash equivalents at the end of the year	5,132.87	6,208.75
		(1,075.88)	**831.58**

Significant accounting policies 2

See accompanying notes forming part of the financial statements.

Notes:

1 Figures in brackets represent outflows.

2 Previous year figures have been regrouped, wherever necessary, to conform to current year's presentation.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Endurance Technologies Limited ("the Company" or "the Holding Company") and its subsidiaries (collectively referred to as "the Group") is in the business of manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India, Italy and Germany.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is E-92, M.I.D.C. Industrial Area, Waluj, Aurangabad – 431136 (Maharashtra), India.

These financial statements for the year ended 31st March, 2021 were approved by the Board of Directors and authorised for issue on 19th May, 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable.

2.02 Basis of preparation and presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policy 2.19. The financial statements are presented in INR and all values are rounded off to the nearest million (INR 000,000), except as stated otherwise.

2.03 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries (disclosed below).

The control exists when; the Group has power over the entity and, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity. Power is demonstrated through existing rights that gives the Group the ability to direct relevant activities, those which significantly affect the entity's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line by line basis and intra-group balances, transactions including unrealised gain/loss from such transactions and cash flows relating to transactions between the Group companies are eliminated upon consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except otherwise stated. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

The following subsidiary companies are considered in the consolidated financial statements:

Name of the Company	Country of Incorporation or Residence	Voting Power %	
		As at 31st March, 2021	As at 31st March, 2020
Endurance Overseas Srl (EOSRL)	Italy	100%	100%
Endurance SpA	Italy	100%	100%
Endurance Castings SpA	Italy	100%	100%
Endurance Engineering Srl	Italy	100%	100%
Endurance Adler SpA (Refer note 26 c)	Italy	99%	0%
Endurance Amann GmbH	Germany	100%	100%

2.04 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

2.05 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.04 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

2.06 Use of estimates and assumptions

The preparation of consolidated financial statements, in conformity with the recognition and measurement principles of Ind AS, requires management to make estimates and assumptions that affect the reported balances of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment.

Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.07 Revenue from contract with customer

Revenue is recognised when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods or services. The timing of when the Group transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Group based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer.

Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 60 days upon delivery for customers in India and 30 to 120 days for overseas customers. The nature of contracts of the Group are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, discounts etc.), the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Warranty obligations

The Group provides warranties for general repairs of defects as per terms of the contract with customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets.

Revenue from job work

The Group provides job work services to its customers. Such services are sold separately and are not bundled together with the sale of goods. Revenue from job work is accounted as and when such services are rendered.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.19 Financial instruments – Financial assets at amortised cost.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.08 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy 2.17 (ii) for Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included under borrowings and other current financial liabilities (Refer Note 11 and Note 12A).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.09 Foreign Currency

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement or translation are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Group accounts for foreign exchange gains and losses in respect of derivative instruments based on marked to market valuation as on balance sheet date. For the purpose of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations are translated to Indian Rupees at exchange rate at the end of each reporting period.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve (FCTR) in the statement of changes in equity. When a foreign operation is disposed off, the relevant amount in the FCTR is reclassified to statement of profit and loss.

The functional currency and presentation currency of the Company is the Indian Rupee whereas the functional currency of foreign subsidiaries is the Euro.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

2.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Government grants and Export benefits

(i) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to income are deferred and recognised in the profit or loss over the periods necessary to match them with the costs that they are intended to compensate and presented within other operating revenues.

(ii) Export benefits

Export benefits are accrued in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Export benefits in nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback is recognised on accrual basis in the year of export.

Effective 1st January, 2021, Remission of Duties and Taxes on Export Product (RODTEP) scheme has been introduced replacing MEIS.

(iii) Government Grant in respect of Loan

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.12 Employee benefits

1. Defined Contribution Plan:

Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the consolidated statement of profit and loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

2. Defined Benefit Plan:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

(i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. For the employees of specified grades, 30 days salary is payable for each completed year of service, upon completion of 10 years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees.

(ii) **Employees severance indemnity :** Foreign subsidiaries give their employees post employment benefits. Such benefits fall within the defined benefit plans, of certain existence and amount, but with uncertain manifestation. The liability is determined as current value of the

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defined benefit obligation at the balance sheet date, in accordance with current regulations, adjusted to take account of actuarial gains / losses. The amount of the defined benefit obligation has been calculated by an external actuary according to the "Projected credit units" method.

3. Compensated Absences:

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of unutilised compensated absence on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to profit or loss and are not deferred. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees.

2.13 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current tax and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of current tax and deferred tax.

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method depending on which method predicts better resolution of the treatment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred taxes:

Deferred tax is recognised using liability method. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates in the countries where the group operates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends and has ability to settle its current tax assets and liabilities on a net basis.

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Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

2.14 Property, plant and equipment

Property, plant and equipment (including capital work in progress) are stated at cost of acquisition or construction where cost includes amount added/deducted on revaluation less accumulated depreciation / amortisation and impairment losses, if any.

All costs directly relating to the acquisition and installation of property, plant and equipment are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Depreciation on property, plant and equipment is provided at the rates determined on a straight line basis over the useful life estimated by the Management or on the basis of depreciation rates prescribed under respective domestic laws, whichever is higher.

The estimated useful lives and residual values of the Property, plant & equipment and other intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

2.15 Intangible Assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

i) Technical knowhow is amortised over a period of five to ten years;

ii) Software is amortised over a period of three years.

iii) Patents, Trade Marks and Brands are amortised over a period of five to ten years.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

2.16 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Additional disclosures are provided in Note 41. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.17 Impairment

(i) Financial assets

The Group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g. deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Group estimates the following provision matrix at the reporting date:

Particulars	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

**Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Group usually provides for the same unless there is clear visibility of recovery.*

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(ii) Non-financial assets

The Group assesses, at each reporting date, whether there is any indication that the carrying amount of non financial asset may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount, (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

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If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The Group bases its impairment calculation on budgets and forecast calculations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

(iii) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU unit and then to the other assets of the CGU unit pro-rata on the basis of the carrying amount of each asset in the CGU unit.

2.18 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares, packing materials and loose tools & instruments are valued at the lower of cost and net realizable value. Cost is ascertained on a weighted average basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a. Raw materials, stores & spares and tools & instruments: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b. Finished goods and work in progress: cost includes cost of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.19 Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less, to be cash equivalents. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets in the nature of debt instruments are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets including derivative financial instruments are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in Statement of Profit and Loss.

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective

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hedge, as appropriate. All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments. Trade, other payables and derivative financial instruments are measured subsequently at FVTPL. Loans and borrowings are subsequently measured at amortised costs using EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition an fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is need on initial recognition and is irrevocable. If the Group decides to classify an equity instruments as at FVOCI then all fair value changes on the instrument excluding dividends are recognised in OCI. There is no recycling from OCI to profit or loss even on sale of instrument. However, the Group may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement' and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Reclassification of financial assets and financial liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.20 Earning per share (EPS)

Basic and diluted earnings per share is reported in accordance with Ind AS 33 - Earnings per Share. Basic earnings per share is computed by dividing the net profit or loss attributable to equity holders after deducting attributable taxes for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average

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number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.21 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated/amortised in accordance with the policies stated for Property, plant and equipment and Intangible Assets.

2.22 Segment reporting

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

2.23 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 - Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Group.

2.24 Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period, or
- does not have any unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Current liabilities include the current portion of long term financial liabilities. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Group has identified 12 months as its operating cycle.

2.25 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.26 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other disclosures

1) There are no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

2) The valuation techniques used above are consistent with all periods presented.

3) There are no recurring or non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy.

Valuation Techniques used to determine fair value

1) Investments in Mutual Funds - are valued at net asset value declared by AMFI at the reporting date.

2) Derivatives (recurring fair value measurement) - at values are determined by counter parties / banks using market observable data.

3) Investment in short term funds - are valued at value declared by Asset management company at the reporting date.

2.27 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.28 Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

Product warranty expenses

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

2.29 Other income

Dividend

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Others

The Group recognises income on accrual basis. However, where the ultimate collection of the same lacks

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reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

2.30 Changes in accounting policies and disclosures

a) New and amended standards

i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1st April, 2020. This amendment had no impact on the consolidated financial statements of the Group.

ii) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1st April, 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the consolidated financial statements of the Group.

iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1st April, 2020. The amendments had no impact on the Group's consolidated financial statements.

iv) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1st April, 2020. These amendments had no significant impact on the Group's consolidated financial statements.

b) Standards notified but not yet effective

There are no new standards that are notified but are not yet effective up to the date of issuance of Group's consolidated financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

3 Property, plant and equipment

₹ in million

Particulars	Gross Block							Depreciation/Amortisation						Net Block
	As at 1st Apr, 2020	Adjustment (Refer note 26(c))	Additions on Acquisition (Refer note 26(c))	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st Mar, 2021	As at 1st April, 2020	Adjustment (Refer note 26(c))	For the year	Deductions during the year	Translation Adjustment	As at 31st Mar, 2021	As at 31st Mar, 2021
	(a)	(b)	(c)	(d)	(e)	(f)	(g)= (a+b+c+d-e+f)	(h)	(i)	(j)	(k)	(l)	(m) = (h+i+j-k+l)	(n) = (g-m)
A) TANGIBLE ASSETS														
Freehold Land	1,165.53	-	4.47	-	306.55	26.00	889.45	-	-	-	-	-	-	889.45
	(1,076.76)	-	-	(43.74)	-	(45.03)	(1,165.53)	-	-	-	-	-	-	(1,165.53)
Buildings	6,490.00	-	197.58	388.02	440.50	113.63	6,748.73	1,051.88	-	393.60	230.59	21.15	1,236.04	5,512.69
	(5,865.08)	-	-	(426.40)	(1.59)	(200.11)	(6,490.00)	(762.43)	-	(255.25)	(1.59)	(35.79)	(1,051.88)	(5,438.12)
Plant and equipments	27,871.61	-	91.77	2,723.22	533.36	457.07	30,610.31	13,779.42	-	3,071.75	369.36	255.16	16,736.97	13,873.34
	(22,967.99)	-	-	(4,534.62)	(420.85)	(789.85)	(27,871.61)	(10,189.05)	-	(3,394.77)	(240.31)	(435.91)	(13,779.42)	(14,092.19)
Wind energy generators	75.57	-	-	4.20	11.98	-	67.79	75.56	-	0.07	11.98	-	63.65	4.14
	(75.57)	-	-	-	-	-	(75.57)	(67.45)	-	(8.11)	-	-	(75.56)	(0.01)
Computer	257.20	-	3.51	22.06	3.46	2.78	282.09	176.45	-	39.30	3.46	1.59	213.88	68.21
	(220.01)	-	-	(32.83)	(0.50)	(4.86)	(257.20)	(135.07)	-	(39.17)	(0.50)	(2.71)	(176.45)	(80.75)
Electrical fittings	101.10	-	-	6.81	0.79	-	107.12	34.30	-	9.91	0.72	-	43.49	63.63
	(83.67)	-	-	(17.43)	-	-	(101.10)	(25.13)	-	(9.17)	-	-	(34.30)	(66.80)
Vehicles	276.27	-	5.22	9.18	14.73	1.84	277.78	127.72	-	37.26	12.49	1.58	154.07	123.71
	(206.37)	-	-	(89.93)	(23.29)	(3.26)	(276.27)	(105.00)	-	(36.69)	(16.68)	(2.71)	(127.72)	(148.55)
Furniture and fixtures	381.57	-	1.59	29.85	9.82	7.62	410.81	140.01	-	50.63	1.07	2.29	191.86	218.95
	(273.19)	-	-	(96.72)	(0.83)	(12.49)	(381.57)	(96.23)	-	(40.63)	(0.80)	(3.95)	(140.01)	(241.56)
Office equipments	170.36	-	-	14.91	1.81	0.07	183.53	99.84	-	24.54	1.73	(0.02)	122.63	60.90
	(146.34)	-	-	(24.73)	(0.78)	(0.07)	(170.36)	(75.34)	-	(25.17)	(0.67)	-	(99.84)	(70.52)
Right of Use Assets:														
Leasehold Land	2,159.59	-	-	-	2.40	-	2,157.19	25.28	-	26.56	2.40	-	49.44	2,107.75
	(1,978.82)	-	-	(180.77)	-	-	(2,159.59)	-	-	(25.28)	-	-	(25.28)	(2,134.31)
Buildings	477.37	-	12.58	3.66	102.73	16.54	407.43	53.26	-	52.51	-	1.48	107.25	300.18
	(411.22)	-	-	(43.70)	-	(22.45)	(477.37)	-	-	(50.87)	-	(2.39)	(53.26)	(424.11)
Plant and Machinery	280.41	-	-	157.82	-	9.46	447.69	128.16	-	127.55	-	4.03	259.74	187.95
	(267.28)	-	-	-	(1.26)	(14.39)	(280.41)	-	-	(121.58)	-	(6.58)	(128.16)	(152.25)
Vehicles	123.51	-	-	47.48	-	4.37	175.36	33.99	-	41.91	-	1.11	77.01	98.35
	(53.49)	-	-	(70.50)	(6.82)	(6.34)	(123.51)	-	-	(34.35)	(2.10)	(1.74)	(33.99)	(89.52)
Total	3,040.88	-	12.58	208.96	105.13	30.37	3,187.67	240.69	-	248.53	2.40	6.62	493.44	2,694.23
	(2,710.81)	-	-	(294.97)	(8.08)	(43.18)	(3,040.88)	-	-	(232.08)	(2.10)	(10.71)	(240.69)	(2,800.19)
Total - A	**39,830.09**	**-**	**316.72**	**3,407.21**	**1,428.13**	**639.38**	**42,765.28**	**15,725.87**	**-**	**3,875.59**	**633.80**	**288.37**	**19,256.03**	**23,509.25**
As at 31st March, 2020	**(30,914.98)**	**-**	**-**	**(5,561.37)**	**(455.92)**	**(1,098.85)**	**(39,830.09)**	**(11,455.70)**	**-**	**(4,041.04)**	**(262.65)**	**(491.78)**	**(15,725.87)**	**(24,104.22)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	Gross Block							Depreciation/Amortisation						Net Block
	As at 1st Apr, 2020	Adjustment (Refer note 26(c))	Additions on Acquisition (Refer note 26(c))	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st Mar, 2021	As at 1st April, 2020	Adjustment (Refer note 26(c))	For the year	Deductions during the year	Translation Adjustment	As at 31st Mar, 2021	As at 31st Mar, 2021
	(a)	(b)	(c)	(d)	(e)	(f)	(g)= (a+b+c+d-e+f)	(h)	(i)	(j)	(k)	(l)	(m) = (h+i+j-k+l)	(n) = (g-m)
B) INTANGIBLE ASSETS														
Technical know-how	296.95	-	152.13	367.96	55.26	6.57	768.35	255.96	-	79.46	55.25	6.53	286.70	481.65
	(282.64)	-	-	-	-	(14.31)	(296.95)	(166.56)	-	(78.25)	-	(11.15)	(255.96)	(40.99)
Patents, Trade Marks and Brands	249.14	(259.68)	166.20	106.16	-	9.08	270.90	1.67	(1.73)	39.87	-	(0.15)	39.66	231.24
	-	-	-	(236.36)	-	(12.78)	(249.14)	-	-	(1.58)	-	(0.09)	(1.67)	(247.47)
Software	203.53	-	4.08	39.84	0.15	1.82	249.12	157.57	-	26.95	0.15	1.05	185.42	63.70
	(183.40)	-	-	(16.92)	-	(3.21)	(203.53)	(133.77)	-	(21.96)	-	(1.84)	(157.57)	(45.96)
Total - B	**749.62**	**(259.68)**	**322.41**	**513.96**	**55.41**	**17.47**	**1,288.37**	**415.20**	**(1.73)**	**146.28**	**55.40**	**7.43**	**511.78**	**776.59**
As at 31st March, 2020	**(466.04)**	**-**	**-**	**(253.28)**	**-**	**(30.30)**	**(749.62)**	**(300.33)**	**-**	**(101.79)**	**-**	**(13.08)**	**(415.20)**	**(334.42)**
Total - A+B	**40,579.71**	**(259.68)**	**639.13**	**3,921.17**	**1,483.54**	**656.85**	**44,053.65**	**16,141.07**	**(1.73)**	**4,021.87**	**689.20**	**295.80**	**19,767.81**	**24,285.84**
As at 31st March, 2020	**(31,381.02)**	**-**	**-**	**(5,814.65)**	**(455.92)**	**(1,129.15)**	**(40,579.71)**	**(11,756.03)**	**-**	**(4,142.83)**	**(262.65)**	**(504.86)**	**(16,141.07)**	**(24,438.64)**

Less: Depreciation Capitalised	30.49
Depreciation charged to Statement of Profit and Loss	3,991.38

ASSET HELD FOR SALE	As at 1st Apr, 2020	Addition during the year	Sale during the year	As at 31st March, 2021
Freehold land and building (Refer Note 41)	-	513.85	404.07	109.78
	(33.37)	-	(33.37)	-

Notes:

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years i.e. September 2020. Accordingly, the same is grouped under freehold land.

ii) Figures in brackets represent figures of previous year.

iii) Refer Notes 11.01 and 14.01 for details of security provided in respect of Non-current and current borrowings.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

4 Non current investments

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
I.	Unquoted investments (all fully paid)*		
	Marathwada Auto Cluster	10.00	10.00
	[10,000 (Previous year 10,000) shares of face value ₹ 100 each]		
	Watsun Infrabuild Pvt Ltd (Refer note 26 (d))	1.45	1.45
	[145,201 (Previous year 145,201) equity shares of face value ₹ 10 each]		
	National Savings Certificates	0.04	0.04
	(Lodged with Government authorities)		
	Investments in Government or trust securities	0.42	0.40
	Total unquoted investments	11.91	11.89
II.	Quoted investments*		
	Indian Overseas Bank	0.04	0.03
	[2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]		
	Total quoted investments	0.04	0.03
Total		**11.95**	**11.92**
Aggregate book value of quoted investments		0.04	0.03
Aggregate market value of quoted investments		0.04	0.03
Aggregate amount of unquoted investments		11.91	11.89

** Refer note 31 for determination of their fair value*

4A Current investments

₹ in million

Particulars			As at 31st March, 2021	As at 31st March, 2020
I.	**Investments in mutual funds (unquoted)***			
	i)	ICICI Prudential - Savings Fund Direct Plan - Growth	-	174.49
		Nil units (previous year 446,974.67 units)		
	ii)	ICICI Prudential Corporate Bond Fund - Growth Direct Plan	130.20	-
		5,538,789.639 units (previous year Nil units)		
	iii)	ICICI Prudential Overnight Fund - Growth Direct Plan	315.19	-
		2,840,009.348 units (previous year Nil units)		
	iv)	SBI Magnum Gilt Fund - Growth Direct Plan	60.03	-
		1,148,912.216 units (previous year Nil units)		
	v)	Aditya Birla Sunlife Liquid Fund - Growth Direct Plan	-	198.69
		Nil units (previous year 621,753.13 units)		
	vi)	Aditya Birla Sunlife Banking and PSU Debt Fund - Growth Direct Plan	160.26	-
		553,166.818 units (previous year Nil units)		
	vii)	IDFC Low Duration Fund - Growth Direct Plan	100.16	-
		3,266,945.686 units (previous year Nil units)		
	viii)	HDFC Corporate Bond Fund - Growth Direct Plan	250.44	-
		9,944,428.346 units (previous year Nil units)		
	ix)	UTI Overnight Fund - Growth Direct Plan	482.73	-
		171,323.563 units (previous year Nil units)		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
x) Kotak Floating Rate fund - Growth Direct Plan	200.25	-
173,067.799 units (previous year Nil units)		
II. Investments in short term funds (unquoted)*		
i) Insurance Premium Investments - Capitale Reale Platinum	352.33	335.55
ii) Insurance Premium Investments - Aviva	692.73	-
iii) Corporate Cash Fund - Azimut Libera Impresa S.G.R. S.p.A.	154.95	194.71
iv) Lombarda Vita Twin Top Selection - UBI Banca	436.61	411.89
v) Corporate Cash Plus / AZ RAIF - Azimut Libera Impresa S.G.R. S.p.A.	346.05	332.94
vi) Unicredit Bank Bond	262.17	-
vii) Government Bonds	487.26	-
Total	**4,431.36**	**1,648.27**

** Refer note 31 for determination of their fair value*

5 Non-current Loans

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Loans to others	26.78	-
Total	**26.78**	**-**

5A Other non-current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Security deposits	65.85	69.86
b) Sales tax receivable	0.19	1.38
c) Government incentive receivables	-	902.17
Total	**66.04**	**973.41**

5B Loans

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Loans to employees	12.61	20.10
b) Loans to others	40.58	-
Total	**53.19**	**20.10**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

5C Other current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Interest accrued on deposits	0.01	0.45
(b)	Receivable for sale of property, plant and equipment	0.11	7.37
(c)	Foreign currency derivative assets	0.33	8.14
(d)	Government incentives receivables	1,734.15	295.77
(e)	Export incentive (MEIS, Duty drawback)	40.77	43.80
(f)	Others	34.56	35.85
	Total	**1,809.93**	**391.38**

6 Other non-current assets

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Capital advances	610.66	469.84
(b)	Prepayments	8.88	5.63
(c)	Income taxes paid in advance less provision	24.78	24.81
(d)	Income tax deposited under protest	73.74	73.74
(e)	Deposits under protest (Refer note 28)	20.85	20.85
	Total	**738.91**	**594.87**

6A Current tax assets (net)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current tax assets (net)	334.97	333.20
Total	**334.97**	**333.20**

6B Other current assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Advances for supplies	395.66	331.90
(b)	Prepayments	119.85	112.20
(c)	Balance with government authorities	105.75	183.50
(d)	Others*	20.15	17.09
	Total	**641.41**	**644.69**

* *Includes amount of ₹ 2.21 million (previous year ₹ 1.30 million) paid to various regulatory authorities under protest. Also includes wind power receivables and other receivables.*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

7 Inventories
(valued at lower of cost and net realisable value)

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Raw materials and components	1,561.78	1,165.05
(b)	Work-in-progress	1,865.88	1,767.47
(c)	Finished goods (other than those acquired for trading)	1,183.55	1,477.02
(d)	Stock-in-trade (acquired for trading)	394.84	32.70
(e)	Stores, spares and packing material	1,077.11	1,023.65
(f)	Loose tools and instruments	35.33	35.13
	Total	**6,118.49**	**5,501.02**
	Included above, Goods-in-transit in respect to		
(i)	Raw materials and components	168.52	153.35
(ii)	Finished goods (Other than those acquired for trading)	273.61	316.90
	Total	**442.13**	**470.25**

8 Trade receivables

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
Unsecured :			
i)	Considered good	10,409.76	6,727.43
ii)	Credit impaired	67.15	63.25
	Less: Allowance for credit impaired	(67.15)	(63.25)
	Total	**10,409.76**	**6,727.43**

Notes:

1. Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

2. The normal credit period allowed by the Group ranges from 30 to 60 days for customers in India and 30 to 120 days for overseas customers.

9 Cash and cash equivalents

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Cash on hand	0.86	1.00
(b)	Cheques on hand	0.52	-
(c)	Balances with banks:		
	i) In current accounts	5,131.49	5,217.75
	ii) In deposit accounts - with original maturity of less than three months	-	990.00
	Total	**5,132.87**	**6,208.75**

9A Other bank balances

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
Other bank balances (in earmarked accounts)			
(i)	In current account for equity dividend	0.26	0.27
(ii)	Balance held as margin money against letters of credit*	0.12	0.44
	Total	**0.38**	**0.71**

* *Represents margin money amounting to ₹ 0.12 million (Previous year ₹ 0.44 million) against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

10 Share Capital

A Authorised, issued, subscribed and paid-up share capital

₹ in million

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each	165,000,000	1,650.00	165,000,000	1,650.00
(Previous year ₹ 10 each)				
Total	**165,000,000**	**1,650.00**	**165,000,000**	**1,650.00**
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	140,662,848	1,406.63	140,662,848	1,406.63
(Previous year ₹ 10 each)				
Total	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

₹ in million

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year				
- Equity shares	140,662,848	1,406.63	140,662,848	1,406.63
No of shares outstanding at the end of the year	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

C Notes

i) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

₹ in million

Particulars	No. of shares as at 31st March, 2021	%	No. of shares as at 31st March, 2020	%
Equity shares:				
1 Mr. Anurang Jain	43,396,976	30.85	43,396,976	30.85
2 Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3 Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4 Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02

1 *Held by Mr. Anurang Jain in his capacity as the family trustee of the Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11th June, 2016 as amended by a deed of amendment dated 23rd June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.*

2 *Held by Mrs. Suman Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15th June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

3 *Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15th June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.*

ii) The Company has only one class of equity shares. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity share will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.

10A Other equity

₹ in million

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	Securities premium (Refer note (i) below)		
	Balance at the beginning and end of the year	160.40	160.40
(b)	Capital reserve (Refer note (ii) below)		
	Balance at the beginning and end of the year	209.32	209.32
(c)	Foreign currency translation reserve (Refer note (iii) below)		
	Balance at the beginning of the year	1,300.98	641.96
	Add : Exchange differences arising on translating the foreign operation	379.96	659.02
	Balance at the end of the year	1,680.94	1,300.98
(d)	General reserve (Refer note (iv) below)		
	Balance at the beginning of the year	1,193.98	1,193.98
	Add : Allocated to Endurance Adler SpA's non-controlling interest at the time of acquisition	1.42	-
	Balance at the end of the year	1,195.40	1,193.98
(e)	Retained earnings		
	Balance at the beginning of the year	25,789.13	22,034.50
	Profit for the year	5,197.06	5,655.34
	Remeasurements of defined benefit plans, net of tax	(17.71)	(35.37)
	Dividend including interim dividend (Refer note 37)	-	(1,547.29)
	Tax on dividend	-	(318.05)
	Balance at the end of the year	30,968.48	25,789.13
	Total	**34,214.54**	**28,653.81**

(i) Securities premium: Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) Capital reserve: The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

(iii) Foreign currency translation reserve: Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

(iv) General Reserve: General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

11 Non current borrowings (Refer Note 11.01 and 11.02)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Measured at amortised cost		
A. Secured borrowings		
Term loans:		
From banks	404.66	843.83
Total A	404.66	843.83
B. Unsecured borrowings		
a) Term loans:		
From banks	3,141.82	2,747.37
b) Other loans		
(i) Deferred sales tax loan	3.31	13.37
(ii) Right-of-use lease liability (Refer note 34)	242.04	416.29
Total B	3,387.17	3,177.03
Total A+B	**3,791.83**	**4,020.86**

11.01 Details of security and interest rates in respect of non-current borrowings

Secured loans from banks taken by foreign subsidiaries is secured by first legal charge on certain property, plant and equipment. The interest rate on both secured and unsecured loans ranges from Euribor 3 months to Euribor 6 months with spread ranging from 0.002% to 1.50% (previous year 0.50% to 1.75%).

11.02 Maturity profile

₹ in million

Particulars	Term loan from banks	Deferred sales tax loan	Right of use lease liability	Total
Current maturities				
2021-22	1,916.58	10.06	242.51	2,169.15
Non-current maturities				
2022-23	1,730.08	3.31	128.81	1,862.20
2023-24	1,003.00	-	74.10	1,077.10
2024-25	460.78	-	28.08	488.86
2025-26	161.45	-	11.05	172.50
2026-27 to 2028-29	191.17	-	-	191.17
Total	**3,546.48**	**3.31**	**242.04**	**3,791.83**

12 Other non-current financial liabilities

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Security deposits received from dealers	34.55	28.68
b) Retention money payable	55.08	78.85
c) Deferred government grants	0.16	10.68
Total	**89.79**	**118.21**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

12A Other current financial liabilities

₹ in million

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)	Current maturities of long-term borrowings (Refer note 11.02)	1,926.64	1,826.16
(b)	Current maturities of right-of-use lease liability (Refer note 11.02 and note 34)	242.51	187.52
(c)	Interest accrued but not due on borrowings	4.49	2.76
(d)	Interest accrued and due on borrowings	-	3.98
(e)	Foreign currency derivative liabilities	10.48	8.46
(f)	Payables on purchase of property, plant and equipment	524.99	591.41
(g)	Deferred government grants	2.94	22.90
(h)	Unpaid equity dividend	0.26	0.27
	Total	**2,712.31**	**2,643.46**

13 Non-current provisions

₹ in million

		Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)		Provision for employee benefits:		
	i)	Provision for gratuity (Refer note 30)	185.64	137.49
	ii)	Provision for employee severance indemnity (Refer note 30)	277.51	207.99
	iii)	Provision for employee separation cost	0.68	0.65
(b)		Provision for others:		
	i)	Provision for warranty (Refer note 13.01)	127.59	314.73
	ii)	Provision for Litigations #	142.18	115.83
		Total	**733.60**	**776.69**

 # Relates to provision created for litigations in overseas subsidiaries.

13A Current provisions

₹ in million

		Particulars	As at 31st March, 2021	As at 31st March, 2020
(a)		Provision for employee benefits:		
	i)	Provision for compensated absences	149.35	143.42
	ii)	Provision for gratuity (Refer note 30)	101.47	94.55
(b)		Provision for others:		
	i)	Provision for warranty (Refer note 13.01)	48.05	96.08
Total			**298.87**	**334.05**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

13.01 Details of warranty provision (Refer note 13 (b) and 13A (b))

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Carrying amount as at 1st April	410.81	380.27
Provision made during the year	29.12	71.52
Discounting/unwinding effect	0.11	(0.44)
Amount paid/utilised during the year	(31.33)	(62.16)
Provision reversed during the year	(246.69)	-
Exchange variation	13.62	21.62
Carrying amount as at 31st March	175.64	410.81

Provision for warranties: The Group gives warranties on certain products from the date of sale, for their satisfactory performance during the warranty period as per the contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

14 Current borrowings

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Measured at amortised cost		
A. Secured Borrowings (Refer note 14.01 and 14.02)		
a) Loans:		
- from bank	450.00	-
b) Cash credit/working capital demand loans	-	500.00
Total secured borrowings	**450.00**	**500.00**
B. Unsecured borrowings (Refer note 14.02)		
From bank		
- Short Term Loan	-	961.00
Total unsecured borrowings	**-**	**961.00**
Total	**450.00**	**1,461.00**

14.01 Details of security provided in respect of current borrowings in holding company

Fund based secured working capital facilities outstanding from a consortium member bank as on 31st March, 2021 is ₹ 450 million [Previous year ₹ 500 million]. The total working capital facilities sanctioned by the consortium member banks are secured by:

a) first pari passu charge on, both present and/or future, current assets including inventory and receivables,

b) second pari passu charge on, both present and/or future, movable property, plant and equipment located at identified premises of the Company.

c) second pari passu charge on identified immovable properties of the Company.

14.02 Details of interest rates for current borrowings

Short term foreign currency loans availed during FY 2020-21 carries interest rate linked to LIBOR rates with mutually agreed spread [effective interest rate ranges between 1.5% p.a. to 2.49% p.a.(previous year 2.36% p.a. to 3.08% p.a.)]. Similarly, short term rupee denominated borrowings carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 1.7% p.a. to 7.6% p.a. (previous year 4.9% p.a. to 12.15% p.a.)].

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

15 Trade payables

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade payable for goods and services		
i) Total outstanding dues of micro and small enterprises	827.59	545.74
ii) Total outstanding dues of other than micro and small enterprises (other than acceptances)	11,955.71	10,116.53
Total	**12,783.30**	**10,662.27**

16 Other current liabilities

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Advances received from customers	132.62	139.20
(b) Income received in advance	3.35	4.76
(c) EPCG deferred payable	8.21	9.59
(d) Statutory remittances	681.95	355.23
(contribution to PF, ESIC, Withholding taxes, Goods and Service tax etc.)		
Total	**826.13**	**508.78**

17 Current tax liabilities (net)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for tax (net of advance taxes and taxes deducted at source)	163.14	34.61
Total	**163.14**	**34.61**

17A Deferred tax assets/(liabilities)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(170.16)	(177.00)
Fair valuation of current investments	(0.44)	(22.32)
Reversal of Provision for doubtful debts	(0.22)	(0.21)
Others	(5.74)	(12.35)
Total	**(176.56)**	**(211.88)**
Deferred tax assets		
On account of temporary differences in		
Property, plant and equipment and intangible assets	-	86.70
Provision for employee benefits and others	325.73	313.15
Provision for doubtful debts	0.32	0.32
Expenses disallowed	121.25	31.54
Tax losses	309.20	8.69
Others	17.38	13.55
Total	**773.88**	**453.95**
Net deferred tax assets/(liabilities)	**597.32**	**242.07**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Disclosed as		
Deferred tax liabilities	5.11	78.70
Deferred tax assets	602.43	320.77

18 Revenue from operations (Refer note 18.01)

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from contracts with customers	64,054.78	67,753.93
Other operating revenue	1,415.40	1,423.14
Total	65,470.18	69,177.07

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Revenue from contracts with customers		
i)	**Goods transferred at a point in time**		
	Sale of manufactured goods		
	Shock absorbers	18,528.04	18,737.99
	Disc brake assembly (including rotary disc)	4,696.00	4,983.04
	Aluminium die casting parts	28,980.46	31,188.57
	Alloy wheels	3,091.52	3,320.57
	Clutch and clutch parts	3,565.68	4,448.53
	Others	3,221.43	4,337.69
	Total - (A)	**62,083.13**	**67,016.39**
	Sale of traded goods		
	Components and spares	1,755.49	426.53
	Total - (B)	**1,755.49**	**426.53**
	Total - (A+B)	**63,838.62**	**67,442.92**
ii)	**Services transferred over time**		
	Job work receipts	216.16	311.01
	Revenue from contracts with customers	**64,054.78**	**67,753.93**
	Other operating revenue comprises:		
	Scrap sales	311.78	292.37
	Wind power generation	5.21	8.73
	Export incentives	63.30	95.86
	Government incentives	1,035.11	1,026.18
	Total	**1,415.40**	**1,423.14**

18.02 Revenue from contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
India	44,740.09	46,034.33
Outside India	19,314.69	21,719.60
Total	**64,054.78**	**67,753.93**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

18.03 Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue as per contracted price	**64,373.00**	**68,078.39**
Adjustments:		
Discounts	318.22	324.46
Revenue from contracts with customers	**64,054.78**	**67,753.93**

19 Other income

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Interest income		
i) Bank deposits	18.94	2.96
ii) Others	8.02	5.86
(b) Other non operating income		
i) Excess provision/creditors' balances written back	10.07	16.82
ii) Income from current investments	43.49	55.65
iii) Income from insurance policy maturity	-	88.88
iv) Profit on sale of property, plant and equipment (net)	47.60	112.86
v) Miscellaneous income	161.06	138.12
(c) Net gain on foreign currency transactions	17.95	54.82
(other than considered as finance cost)		
Total	**307.13**	**475.97**

20A Cost of materials consumed

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening stock (including goods in transit)	1,165.05	1,173.68
Add: Purchases	35,474.46	37,125.53
	36,639.51	**38,299.21**
Less: Closing stock (including goods in transit)	1,561.78	1,165.05
Cost of materials consumed	35,077.73	37,134.16
Cost of materials capitalised	(101.27)	(88.95)
Total	**34,976.46**	**37,045.21**

20B Purchases of stock-in-trade (traded goods)

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Components and spares	896.20	278.40
Total	**896.20**	**278.40**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

20C Changes in stock of finished goods, stock-in-trade and work-in-progress

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Inventories at the end of the period:		
Finished goods	(1,183.55)	(1,477.02)
Work-in-progress	(1,865.88)	(1,767.47)
Stock-in-trade	(394.84)	(32.70)
	(3,444.27)	**(3,277.19)**
Inventories at the beginning of the period:		
Finished goods	1,477.02	1,433.54
Work-in-progress	1,767.47	1,840.24
Stock-in-trade	32.70	31.87
	3,277.19	**3,305.65**
Net (increase)/decrease	**(167.08)**	**28.47**

21 Employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salary, wages and bonus	5,527.60	5,599.28
Contribution to provident and other funds (Refer note 30)	348.24	295.47
Staff welfare expenses	884.73	878.50
Total	**6,760.57**	**6,773.25**

22 Finance costs

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Interest expenses on		
i) Term loans	57.10	48.74
ii) Others	59.27	64.92
(b) Other borrowing costs		
i) Discounting charges on commercial paper	15.30	55.77
ii) Bank charges	5.92	5.96
Total	**137.59**	**175.39**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

23 Other expenses

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Stores and spares consumed	1,444.30	1,457.72
Packing material consumed	507.22	504.57
Tools and instruments consumed	195.18	202.83
Processing charges	2,918.84	3,041.22
Labour charges	1,456.45	1,504.49
Power, water and fuel	2,683.32	2,857.19
Rent	185.48	173.74
Repairs and maintenance:		
Plant and machinery	1,044.39	1,198.98
Building	38.11	43.31
General	241.34	237.55
Insurance	172.24	128.69
Rates and taxes	26.32	28.21
Travelling and conveyance	181.58	286.32
Freight	887.74	897.65
Advertisement	2.73	25.85
Donation	0.45	-
Payment to auditors (Refer note 23.01)	7.52	9.22
Payment to auditors of subsidiaries	15.65	13.45
Directors fees and travelling expenses	16.82	29.93
Allowance for doubtful debts, net	(0.90)	2.94
Bad debts written off	1.00	1.04
Warranty claims, net of provision reversed (Refer note 13.01)	(158.64)	203.11
Expenditure on corporate social responsibility	60.00	137.12
Miscellaneous expenses	761.88	841.47
Total	**12,689.02**	**13,826.60**
Expenses capitalised	(87.10)	(82.57)
Total	**12,601.92**	**13,744.03**

23.01 Payment to auditors

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
As auditor		
Audit fee	7.50	7.15
Expenses reimbursed	0.02	1.12
In other capacity		
Other services (certification fees)	-	0.95
Total	**7.52**	**9.22**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

24 Taxes

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a)	Current Tax expenses [Short/(excess) provision for tax relating to prior period ₹ (18.84) million, previous year ₹ (12.77) million]	1,563.01	1,870.30
(b)	Deferred tax charge	(290.68)	(60.18)
	Total	**1,272.33**	**1,810.12**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a)	Net gain / (loss) on remeasurement of defined benefit plans	(24.20)	(46.86)
(b)	Income tax charged to OCI on remeasurement of defined benefit plan	6.49	11.49

(iii) Reconciliation of effective tax rate

₹ in million

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a)	Accounting profit before income tax	6,468.02	7,465.46
(b)	Enacted tax rate in India	25.17%	25.17%
(c)	Computed tax expense	1,627.87	1,878.91
(d)	Reconciliation items		
	Investment allowance reversal	1.04	6.45
	CSR expenditure and donation	60.45	43.56
	Gain to be set off against carried forward losses	(23.17)	(73.84)
	Extra allowance on depreciation and other items	(1,814.96)	(773.76)
	Expenses disallowances	289.54	424.79
	Others	139.96	94.47
	Lease written off	26.56	25.28
(e)	Net Adjustment	(1,320.58)	(253.05)
(f)	Tax expenses/ (saving) on net adjustment (e*b)	(332.36)	(63.69)
(g)	Difference in overseas tax rates	(4.34)	40.65
(h)	Tax expenses recognised in Statement of Profit and Loss (c+f+g)	1,291.17	1,855.87
(i)	Short/(excess) provision for tax relating to prior years	(18.84)	(12.77)
(j)	Effect of change in income tax rate	-	(47.84)
(k)	Deferred tax asset created on long term capital losses	-	14.86
(l)	Net tax expenses recognised in Statement of Profit and Loss (h+i+j+k)	1,272.33	1,810.12

(iv) Details of carry forward losses on which no deferred tax asset is recognised by the Company is as follows:

Capital loss in Holding Company can be carried forward for a period of 8 years from the year in which such loss arose. The capital loss will expire till Assessment Year 2021-22.

₹ in million

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a)	Long term capital loss	-	139.54
(b)	Short term capital loss	-	2.87
	Total	**-**	**142.41**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

25 Disclosure of goodwill

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	1,624.39	1,519.80
Add: Related to acquisition of Endurance Adler SpA (refer note 26(c))	55.80	-
Add: Impact of foreign currency translation	59.64	104.59
Closing balance	**1,739.83**	**1,624.39**

26 a. Endurance Amann GmbH, Germany

The total investment of the Company in Endurance Amann GmbH, Germany (a wholly owned subsidiary of the Company) as on 31st March, 2021 amounts to Euro 30.93 million (₹ 1,930.62 million) [previous year Euro 30.93 million (₹ 1,930.62 million)].

The equity of Endurance Amann GmbH amounting to Euro 3.25 million is represented by stock. Euro 0.2 million is held by Endurance Amann GmbH as treasury shares.

b. Endurance Overseas Srl, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2021 amounts to Euro 25.83 million (₹ 1,706.99 million) [previous year Euro 25.83 million (₹ 1,706.99 million)].

c. Acquisition of Endurance Adler SpA and Grimeca Srl

Endurance Overseas Srl, Italy, has acquired controlling equity stake of 99% in Adler SpA. The effective date of this acquisition is 15th April, 2020. Post acquisition, the name of Adler SpA has been changed to Endurance Adler SpA.

Endurance Adler SpA, Italy, has acquired 100% stake in Grimeca Srl, Italy, with an effective date of 21st May, 2020. Grimeca Srl was subsequently merged into Endurance Adler SpA with effect from 1st January, 2021.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of these entities as at the date of acquisition were:

₹ in million

Particulars	Endurance Adler SpA	Grimeca Srl	Total
Assets			
Property, plant and equipment	302.52	-	302.52
Intangible assets	262.99	57.69	320.68
Financial assets	103.08	-	103.08
Deferred tax assets	61.96	-	61.96
Cash and cash equivalents	5.05	40.79	45.84
Inventories	150.99	-	150.99
Trade receivables	129.53	0.09	129.62
Other non-current / current assets	74.46	2.69	77.15
Total - (A)	**1,090.58**	**101.26**	**1,191.84**
Liabilities			
Borrowings	29.33	-	29.33
Provisions	117.52	-	117.52
Deferred tax liabilities	-	15.55	15.55

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	**Endurance Adler SpA**	**Grimeca Srl**	**Total**
Trade payables	276.67	1.58	278.25
Current tax liabilities	296.24	6.31	302.55
Other current liabilities	165.66	0.33	165.99
Total - (B)	**885.42**	**23.77**	**909.19**
Purchase price alignment - (C) Refer Note below	**(257.95)**	**-**	**(257.95)**
Total identifiable net assets at fair value (A-B+C)	**(52.79)**	**77.49**	**24.70**
Goodwill arising on acquisition	55.80	-	55.80
Purchase consideration transferred	**3.01**	**77.49**	**80.50**

Purchase price alignment represent entries effected consequential to the alignment of Endurance Adler SpA assets, in the purchase price allocation process to the fair value recognised by EOSRL in the transaction which occurred before business combination. The amount was initially related to licence acquired by EOSRL from erstwhile Adler SpA for the exclusive utilisation of Adler's patents amounting to EUR 3 million. As part of the alignment the Group identified EUR 1.8 million as acquired know-how and retained the value of patents at EUR 1.2 million.

Purchase consideration

₹ in million

Particulars	**Endurance Adler SpA**	**Grimeca Srl**	**Total**
Cash and cash equivalents	3.01	77.49	80.50
Total consideration	3.01	77.49	80.50

Analysis of cash flows on acquisition

₹ in million

Particulars	**Endurance Adler SpA**	**Grimeca Srl**	**Total**
Transaction costs of the acquisition	(3.01)	(77.49)	(80.50)
Net cash acquired with the subsidiary	5.05	40.79	45.84
Net cash flow on acquisition	2.04	(36.70)	(34.66)

d. The total investment of the Company in Watsun Infrabuild Pvt Ltd as at 31st March 2021 amount to ₹ 1.45 million (Previous year ₹ 1.45 million).

27 Consolidated segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Ind AS - 108, "Operating Segments" represents a single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenue, total expenses and net profit as per the consolidated Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

Geographical information

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Revenue from Operations

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
India	45,880.74	47,218.44
Outside India	19,589.44	21,958.63
Total	**65,470.18**	**69,177.07**

Non current Assets*

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
India	15,184.18	15,607.13
Outside India	12,541.97	12,310.30
Total	**27,726.15**	**27,917.43**

** Financial assets and deferred tax assets are excluded.*

28 Contingent liabilities (To the extent not provided for)

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Excise matters[1]	80.53	71.97
b) Service tax matters[1]	0.06	2.82
c) Sales tax (VAT and CST) matters[1]	46.22	46.15
d) Income tax matters[1]	610.56	557.85
e) Employee related matters[1]	0.50	0.80
f) Environment pollution control matters[2]	20.85	20.85

1 *Future cash outflows, if any, in respect of these matters are determinable only on receipt of judgments / decisions pending at various stages before the appellate authorities.*

2 *Hon'ble National Green Tribunal (NGT) in the prior years, had directed the Company to deposit ₹ 100 million based on the initial report of M.S. University, Baroda for alleged inappropriate discharge of industrial effluents. Based upon Maharashtra Pollution Control Board's (MPCB) claim submission, the NGT vide its order dated 8th July, 2016 instructed MPCB to refund ₹70 million against the deposit given, which was duly received by the Company on 28th July, 2016. MPCB submitted a revised claim based on which the Hon'ble NGT vide its order dated 30th January, 2018 instructed MPCB to refund an additional amount of ₹9.15 million against the deposit. Accordingly, the Company received ₹9.15 million on 31st March, 2018.*

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated 28th February, 2019. As a matter of caution, the Company has implemented the change on a prospective basis.

29 Commitments

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	2,387.31	1,212.93
(ii) Other commitment		
- Aluminium alloy	1,658.12	1,302.03
Total	**4,045.43**	**2,514.96**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

30 In conformity with the principles set out in the Indian Accounting Standard (Ind AS) 19 Employee Benefits, details for defined contribution and benefit plans are given below:

a) Defined contribution plan:

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Employers contribution to provident fund/pension fund	136.75	141.41
Employers contribution to superannuation fund	15.18	15.96
Employers contribution to ESIC	1.74	2.96
Employers contribution to Labour welfare fund	0.18	0.19
Total	**153.85**	**160.52**

Note : Above contributions are included in the contribution to provident and other funds reported in note 21 of Employee benefits expense.

b) Defined benefit plan:

The defined benefit plan comprises gratuity (included in contribution to provident and other funds in note 21). The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method. The present value of accrued gratuity is provided in the books after reducing the fund value with Life Insurance Corporation of India.

c) Employees severance indemnity:

The actuarial valuation of Retirement Indemnity fund is made according to the "accrued benefit" methodology by means of the Projected Unit Credit Method. Such methodology is substantiated by evaluations accounting for current average value of pension bonds accrued on the basis of the worker's service until the time when that evaluation is made.

d) Reconciliation of benefit obligation:

₹ in million

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the beginning of the year	207.99	612.76	208.15	509.12
Acquisition Adjustment	60.15	-	-	-
Interest cost	3.36	36.09	1.84	36.75
Current service cost	19.07	58.80	18.15	47.03
Benefit paid*	(35.45)	*(61.40)	(22.54)	*(38.32)
Remeasurement (gain) / loss on obligations	14.76	10.61	(11.19)	58.18
Exchange variation	7.63	-	13.58	-
Liability at the end of the year	277.51	656.86	207.99	612.76

**Include amounts directly paid by the Company.*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

e) Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Domestic	Domestic
Fair value of plan assets at the beginning of the year	380.71	379.08
Interest income	22.48	27.47
Contributions	0.47	-
Benefits paid	(38.75)	(25.97)
Return on plan assets - gain / (loss)	4.84	0.13
Fair value of plan assets at the end of the year	369.75	380.71
Actual return on plan assets	27.32	27.60

f) Amount to be recognised in Balance Sheet:

₹ in million

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the end of the year	277.51	656.86	207.99	612.76
Fair value of plan assets at the end of the year	-	369.75	-	380.71
Amount to be recognised in the balance sheet - Net liability	277.51	287.11	207.99	232.05

g) Expenses recognised in the Statement of Profit and Loss under the head employee benefits expense:

₹ in million

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Foreign	Domestic	Foreign	Domestic
Current service cost	19.07	58.80	18.15	47.03
Interest cost	3.36	13.61	1.84	9.28
Expenses recognised in Statement of Profit and Loss	22.43	72.41	19.99	56.31

h) In respect of funded benefits with respect to gratuity, the fair value of plan assets represents the amounts invested through "Insurer Managed Funds".

i) Remeasurement for the year

₹ in million

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Foreign	Domestic	Foreign	Domestic
Experience (gain)/ loss on plan liabilities	14.76	(25.99)	(11.19)	17.03
Demographic (gain)/ loss on plan liabilities	-	-	-	-
Financial (gain)/ loss on plan liabilities	-	36.60	-	41.15
Experience (gain)/ loss on plan assets	-	(9.56)	-	(0.14)
Financial (gain)/ loss on plan assets	-	4.71	-	-

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j) Amount recognised in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Foreign	Domestic	Foreign	Domestic
Opening amount recognised in OCI	(1.81)	122.56	9.38	64.51
Remeasurement for the year - obligation (gain)/ loss	14.76	10.61	(11.19)	58.18
Remeasurement for the year - plan assets (gain)/ loss	-	(4.84)	-	(0.13)
Total remeasurements cost / (credit) for the year recognised in OCI	14.76	5.77	(11.19)	58.05
Closing amount recognised in OCI	12.95	128.33	(1.81)	122.56

k) Principal actuarial assumptions:

₹ in million

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Discount rate	0.56%	6.30%	1.37%	6.20%
Rate of return on plan assets	-	6.20%	-	7.50%
Salary escalation for the next year	1.00%	7.00%	1.00%	0.00%
Salary escalation after next year	1.00%	7.00%	1.00%	7.00%
Withdrawal rate	4.00%	8.00%	4.00%	8.00%

i) The discount rate is based on the prevailing market yields of Government securities / corporate bond rate as at the balance sheet date for the estimated terms of the obligations.

ii) Salary escalation rate is the estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

iii) Withdrawal rate is employee's turnover rate based on the Company's past and expected employee turnover.

iv) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments of gratuity for the years ending, assessed on 31st March, 2021

₹ in million

Years ending	As at 31st March 2021
31st March, 2022	101.47
31st March, 2023	62.53
31st March, 2024	70.34
31st March, 2025	79.46
31st March, 2026	78.05
31st March, 2027 to 31st March, 2031	448.85

(v) Weighted Average duration of defined benefit obligation in form of gratuity: 10.63 years

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(vi) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2021 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	**1% Increase**		**1% Decrease**	
	31st March, 2021	**31st March, 2020**	**31st March, 2021**	**31st March, 2020**
Defined Benefit Obligation (Domestic)	615.00	573.21	704.14	657.50

₹ in million

B. Effect of 1 % change in the assumed salary escalation rate	**1% Increase**		**1% Decrease**	
	31st March, 2021	**31st March, 2020**	**31st March, 2021**	**31st March, 2020**
Defined Benefit Obligation (Domestic)	697.28	651.41	620.24	583.28

₹ in million

C. Effect of 1 % change in the assumed withdrawal rate	**1% Increase**		**1% Decrease**	
	31st March, 2021	**31st March, 2020**	**31st March, 2021**	**31st March, 2020**
1. Defined Benefit Obligation (Domestic)	654.70	611.24	659.21	614.43
2. Defined Benefit Obligation (Foreign)	278.10	205.96	281.54	207.62

₹ in million

D. Effect of 0.25 % change in the assumed discount rate	**0.25% Increase**		**0.25% Decrease**	
	31st March, 2021	**31st March, 2020**	**31st March, 2021**	**31st March, 2020**
Defined Benefit Obligation (Foreign)	273.79	202.64	285.85	210.95

₹ in million

E. Effect of 0.25 % change in the assumed salary escalation rate	**0.25% Increase**		**0.25% Decrease**	
	31st March, 2021	**31st March, 2020**	**31st March, 2021**	**31st March, 2020**
Defined Benefit Obligation (Foreign)	284.13	210.12	275.52	203.47

31 Fair Value measurements:

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financials instruments.

₹ in million

Particulars	**Carrying amount**		**Fair value**	
	31st March, 2021	**31st March, 2020**	**31st March, 2021**	**31st March, 2020**
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security deposits	65.85	69.86	65.85	69.86
(b) Other non current investments	11.91	11.89	11.91	11.89
(c) Trade receivables	10,409.76	6,727.43	10,409.76	6,727.43
(d) Loans to employees	12.61	20.10	12.61	20.10

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	Carrying amount		Fair value	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
(e) Loans to others	67.36	-	67.36	-
(f) Interest accrued on deposits	0.01	0.45	0.01	0.45
(g) Receivables for sale of property, plant and equipment	0.11	7.37	0.11	7.37
(h) Cash in hand	0.86	1.00	0.86	1.00
(i) Balance with banks in current account	5,131.75	6,208.02	5,131.75	6,208.02
(j) Balance held as margin money against borrowings	0.12	0.44	0.12	0.44
(k) Government incentives receivable	1,734.15	1,197.94	1,734.15	1,197.94
(l) Other financial assets	75.52	81.03	75.52	81.03
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	4,431.36	1,648.27	4,431.36	1,648.27
(b) Non current investments quoted	0.04	0.03	0.04	0.03
(c) Foreign currency derivative assets	0.33	8.14	0.33	8.14
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowings	3,791.83	4,020.86	3,791.83	4,020.86
(b) Current borrowings	450.00	1,461.00	450.00	1,461.00
(c) Security deposits received from dealers	34.55	28.68	34.55	28.68
(d) Retention money	55.08	78.85	55.08	78.85
(e) Current maturities of long-term borrowings	2,169.15	2,013.68	2,169.15	2,013.68
(f) Interest accrued but not due on borrowings	4.49	2.76	4.49	2.76
(g) Interest accrued and due on borrowings	-	3.98	-	3.98
(h) Deferred government grants	3.10	33.58	3.10	33.58
(i) Payables on purchase of property, plant and equipment	524.99	591.41	524.99	591.41
(j) Trade payables	12,783.30	10,662.27	12,783.30	10,662.27
(k) Unpaid equity dividend	0.26	0.27	0.26	0.27
Financial liabilities measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	10.48	8.46	10.48	8.46

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/ outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds and foreign currency derivatives) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Group and in case of financial assets is the average market rate of similar credit rated instrument.

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The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Group internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of the Group's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the reporting was assessed to be insignificant.

Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data

The following table presents our assets and liabilities measured at fair value on recurring basis at 31st March, 2021 and 31st March, 2020 :

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2021			
Investments in mutual funds	2,448.69	-	-
Investments in short term funds	-	-	1,982.67
Investments in bonds	749.43	-	-
Equity	0.04	-	-
Foreign currency derivative asset	0.33	-	-
Foreign currency derivative liability	10.48	-	-
31st March, 2020			
Investments in mutual funds	373.18	-	-
Investments in short term funds	-	-	1,275.09
Equity	0.03	-	-
Foreign currency derivative asset	8.14	-	-
Foreign currency derivative liability	8.46	-	-

During the year ended 31st March, 2021, there were no transfers between Level 1 and Level 2 fair value measurement.

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32 Financial Instruments and Risk Review

I) Capital Management

The Group's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

The Group uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the consolidated financial statements.

Debt-to-equity ratio is as follows:

₹ in million

Particulars	31st March, 2021	31st March, 2020
Net Debt* (A)	(3,153.25)	(361.48)
Equity (B)	35,621.41	30,060.44
Debt Ratio (A / B)	Net Negative Debt	Net Negative Debt

**Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings and right-of-use lease obligation net off current investments and cash and cash equivalents.*

II) Financial Risk Management Framework

The Group is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to contractual terms. Credit risk encompasses, the risk of default, the risk of deterioration of creditworthiness of the counterparty as well as concentration of risks.

Financial instruments that are subject to exposure to credit risk consist of trade receivables, investments and other financial assets.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from operating activities, primarily from trade receivables.

Trade receivables

Trade receivables consist of receivables arising primarily due to sale of goods. These receivables are unsecured and are payable at the end of a specified credit period depending upon the terms of contract of each customer, which ranges from 30-60 days for customers in India and 30-120 days for overseas customers. The Group's customers primarily consist of Original Equipment Manufacturers ("OEM") for its primary products and Dealers for spare parts.

The Group assesses the credit risk of its customers and dealers at the time of acceptance of the customer as well as on an ongoing basis. Before accepting any new customer, the Group uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit limit of these customers and dealers is continuously monitored and recalibrated based on the credit risk assessment. Most of the OEM's have high credit ratings which helps the Group mitigate credit risk.

The Group assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Group recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction and which are due for more than six months. The expected credit losses are measured at an amount equal

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to 12 months expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2021				
Estimated total gross carrying amount	8,286.77	2,087.98	102.16	10,476.91
ECL - Simplified approach	-	(24.96)	(42.19)	(67.15)
Net carrying amount	8,286.77	2,063.02	59.97	10,409.76

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2020				
Estimated total gross carrying amount	2,768.13	3,947.96	74.59	6,790.68
ECL - Simplified approach	-	(26.03)	(37.22)	(63.25)
Net carrying amount	2,768.13	3,921.93	37.37	6,727.43

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Group usually provides for the same unless there is clear visibility of recovery.

The movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	63.25	56.36
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.90)	2.94
Exchange variation	4.80	3.95
Balance at the end of the year	67.15	63.25

The Group's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 46% of total receivables as of 31st March, 2021 (47% as at previous year), however there was no default on account of those customers in the past.

The Group considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Group is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Group considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Group is of the view that recovery seems unlikely after reasonable efforts.

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	31st March, 2021		31st March, 2020	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	10,409.76	-	6,727.43	-
Total	**10,409.76**	**-**	**6,727.43**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Investments and other financial assets

Investments consist mainly of investments in mutual funds, insurance premium and short term funds. Other financial assets consist of Government incentives receivable, export incentives and security deposits for business purposes.

Investments in mutual funds are primarily those instruments which have been approved by the Board and are in low-risk category and are continuously monitored by the investment committee of the Board. The Group considers credit risk in investments as well as in other financial assets to be very low.

ii) Liquidity Risk

Liquidity risk is the risk that the Group may not be in a position to meet its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure availability of adequate funds for business. The Group generates sufficient internal accruals and generally the purpose of borrowings is to meet temporary fund flow mismatches and to meet regular capital expenditures. The Group maintains a very low debt to equity ratio.

The maturity profile of various financial liabilities is as given below. These amounts have been drawn up based on the undiscounted cash flows of various financial liabilities based on the earliest date on which the Group can be required to pay.

₹ in million

Particulars	31st March, 2021		31st March, 2020	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	12,783.30	-	10,662.27	-
Other financial liabilities	2,712.31	89.79	2,643.46	118.21
Working capital demand loans / term loans	450.00	3,791.83	1,461.00	4,020.86
Total	**15,945.61**	**3,881.62**	**14,766.73**	**4,139.07**

iii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk like commodity prices risk.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations which have floating rate indebtedness. The Group also maintain deposits of cash and cash equivalents with banks and other financial institutions which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Group and on the cash and cash equivalents.

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Financial statement item	Variable rate WCDL / CC balance / ECB
31st March, 2021	INR	+100	(32.17)	Debt obligation	3,201.80
	INR	-100	23.99	Debt obligation	3,201.80
31st March, 2020	INR	+100	(46.75)	Debt obligation	4,848.54
	INR	-100	39.10	Debt obligation	4,848.54

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2) Foreign Currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At a standalone level the Company is exposed to currency risk of changes in EURO, USD, CHF, CNY, GBP, SGD and JPY. However, the risk of changes in foreign exchange rates on the statement of profit or loss and other comprehensive income is not material.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

a) Details of Forward Exchange Contract, Interest rate swaps, Interest rate CAP :

₹ in million

Particulars	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD-INR	USD	5.07	372.47	3.39	255.43
No. of Contracts		29		31	
Forward contract - EURO - INR	EURO	0.62	53.72	1.30	107.68
No. of Contracts		15		25	
Interest rate swaps	EURO	23.63	2,034.88	18.44	1,531.15
No. of Contracts		7		6	
Interest rate CAP	EURO	-	-	0.31	25.35
No. of Contracts		-		1	

b) Foreign currency exposures that are not hedged by derivative instruments

₹ in million

Particulars	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
I. Trade receivables :	USD	4.93	362.48	0.71	53.65
	EURO	1.23	105.79	0.67	55.63
			468.27		109.28
II. Trade payable and capital creditors:	USD	(1.03)	(75.59)	(0.26)	(19.39)
	EURO	(0.23)	(19.65)	(0.35)	(28.96)
	GBP	(0.02)	(2.11)	(0.07)	(6.11)
	JPY	-	-	(2.69)	(1.87)
	CNY	(0.06)	(0.67)	(0.03)	(0.31)
			(98.02)		(56.64)
Total	USD	3.90	286.89	0.45	34.26
	EURO	1.00	86.14	0.32	26.67
	GBP	(0.02)	(2.11)	(0.07)	(6.11)
	JPY	-	-	(2.69)	(1.87)
	CNY	(0.06)	(0.67)	(0.03)	(0.31)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Foreign Currency Sensitivity

The following tables demonstrates the sensitivity to a reasonable possible change in USD, EURO, GBP, CHF, JPY and CNY exchange rates, with all other variables held constant, the impact on the Group's profit before tax due to changes in the fair value of monetary assets and liabilities is given below. The Group's exposure to foreign currency changes for all other currencies is not material.

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
31st March, 2021	USD	+10%	28.69
	USD	-10%	(28.69)
	EURO	+10%	8.61
	EURO	-10%	(8.61)
	GBP	+10%	(0.21)
	GBP	-10%	0.21
	CNY	+10%	(0.07)
	CNY	-10%	0.07
31st March, 2020	USD	+10%	3.43
	USD	-10%	(3.43)
	EURO	+10%	2.67
	EURO	-10%	(2.67)
	GBP	+10%	(0.61)
	GBP	-10%	0.61
	JPY	+10%	(0.19)
	JPY	-10%	0.19
	CNY	+10%	(0.03)
	CNY	-10%	0.03

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

3) Commodity Price Risk

The Group is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially ferrous and non-ferrous metals. Historically, as a practice, and as per our understanding with customers, the Group has passed on an increase in the cost of metals, especially aluminium and steel to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the prices of materials.

33 Earnings per share (EPS)

₹ in million

Particulars		Shares in Nos	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
a)	Earnings for the purpose of basic / diluted earnings per share -		
	Net profit after tax (₹ in million)	5,197.06	5,655.34
b)	Weighted number of ordinary shares for the purpose of basic earnings per share	140,662,848	140,662,848

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	Shares in Nos For the year ended 31st March, 2021	For the year ended 31st March, 2020
c) Weighted number of ordinary shares for the purpose of diluted earnings per share	140,662,848	140,662,848
d) Nominal value of equity shares ₹ each	10.00	10.00
e) Basic and diluted earnings per share ₹ each	36.95	40.20

34 Group as lessee

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
As at 1st April	603.81	650.35
Additions	223.78	109.40
Accretion of interest	11.02	9.98
Payments	(375.69)	(203.73)
Exchange variation	21.63	37.81
As at 31 March	484.55	603.81
Current	242.51	187.52
Non current	242.04	416.29

The maturity analysis of lease liability is disclosed in note 11.02.

The effective interest rate for lease liabilities is 8.00% for leases in India and 0.90% for leases in Italy and 0.99% for leases in Germany, with maturity between 2022-2027.

The following are the amounts recognised in the statement of profit or loss:

₹ in million

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation expense of right-of-use assets	248.53	232.08
Interest expense on lease liabilities	11.02	9.98
Total amount recognised in profit or loss	259.55	242.06

During the year the Group had total cash outflows for leases of ₹ 375.69 million (previous year ₹ 203.73 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ 223.78 million (previous year ₹ 109.40 million).

35 Related Party disclosures as required by Ind AS - 24 are annexed. Key Management Personnel (KMP) has been identified as per Ind AS - 24.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

36 Government incentives :

a) Industrial Promotion Subsidy: Incentive under Mega Project Scheme - PSI 2013

The Company recognises grant income under the Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on sale of goods, as management believes that the realisability of the grant income is reasonably certain.

The Company in September 2020 received an addenda to its eligibility certificate for grant of incentive under PSI Scheme towards the additional investment made in the FY 2018-19. The Company accordingly recognised ₹279.37 million incentive as a one time adjustment in the quarter ended 30th September, 2020 relating to FY 2018-19 and FY 2019-20.

Accordingly, in the quarters ended 30th June, 2020; 30th September, 2020; 31st December, 2020; and 31st March, 2020 the Company had recognized an amount of ₹100.12 million, ₹257.83 million, ₹234.17 million and ₹0.69 million respectively as grant income based on the underlying sales transaction for the year ended 31st March, 2021.

As a result, the cumulative grant income recognized during the year stands at ₹872.18 million (Previous year ₹874.24 million).

b) EPCG benefit:

During FY 2018-19, the Company had imported plant and equipments under EPCG scheme and saved customs duty of ₹ 19.11 million against the export obligation of ₹114.67 million, the duty saved was capitalized. The pending export obligation as on 31st March, 2021 is ₹ 49.27 million (previous year ₹ 57.52 million).

In accordance with Ind-AS 20, the customs duty saved was capitalized and ₹ 1.37 million (previous year ₹ 5.80 million) is recognized as incentive received, included in other operating revenue, on account of proportionate fulfilment of the export obligation.

c) Export incentive:

Effective January 1, 2021, Remission of Duties and Taxes on Export Product (RODTEP) scheme has been introduced replacing MEIS. The Group has not recognised any income under RODTEP scheme during the period 1st January, 2021 till 31st March, 2021 as the products and rates of benefit under RODTEP scheme are pending to be notified by the Central Government.

d) Deferred government grants :

In case of EOSrl, in the year ended 31st March, 2016 Italian government accorded grant of EUR 0.91 million (₹ 66.07 million) in connection with capital expenditures incurred during the period June, 2014 to March, 2015. This grant was received in the form of tax credits in 3 yearly instalments starting from September, 2017 and the same was recognised in the consolidated Statement of Profit and Loss on a systematic basis over the useful life of asset.

During the current year, amount recognised in the Statement of Profit and Loss of ₹ 13.67 million(previous year ₹ 19.28 million) against above referred grant. Further, grant of ₹ 92.32 million (previous year ₹ 65.76 million) is recognised in the form of tax credits on incremental R&D expenditure, ₹ 10.05 million (previous year ₹ 9.92 million) is recognised for solar power utilization and surplus energy produced and ₹ 15.07 million (previous year ₹ 25.08 million) received as energy consumption grant.

37 On 19th May, 2021, the Board of Directors of the Company proposed a dividend of ₹ 6 per equity share of face value ₹ 10 each in respect of the year ended 31st March, 2021. The dividend payout is subject to approval of the shareholders at the Annual General Meeting.

During the previous year, final dividend for the year ended 31st March, 2019 was declared and paid at ₹ 5.50 per equity share of face value ₹ 10 each and also interim dividend for the year ended 31st March, 2020 was declared and paid at ₹ 5.50 per equity share of face value ₹ 10 each.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

38 Coronavirus Disease (COVID-19) has resulted in the Group temporarily suspending the operations of its manufacturing units in India and Europe during the first quarter of the financial year. COVID-19 has impacted the normal business operations of the Group by way of interruption in production and sale of finished goods, supply chain disruption, limited availability of personnel etc. However, production and sale of goods have commenced in a phased manner through April and May, 2020.

The Group has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully considered all the possible impact of known events in the preparation of these financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

39 Disclosure of additional information as required by the Schedule III :

a) As at and for the year ended 31st March, 2021 :

₹ in million

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding company								
Endurance Technologies Limited	76.03%	27,082.57	75.49%	3,921.99	-1.95%	(7.06)	70.44%	3,914.93
Foreign subsidiaries								
Endurance Amann GmbH	9.77%	3,481.39	3.33%	173.22	-2.12%	(7.69)	2.98%	165.53
Endurance Overseas Srl	24.79%	8,831.89	21.25%	1,103.99	-23.33%	(84.50)	18.34%	1,019.49
Eliminations	-10.59%	(3,774.44)	-0.07%	(3.51)	127.40%	461.50	8.24%	457.99
Total	**100.00%**	**35,621.41**	**100.00%**	**5,195.69**	**100.00%**	**362.25**	**100.00%**	**5,557.94**

b) As at and for the year ended 31st March, 2020 :

₹ in million

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding company								
Endurance Technologies Limited	77.07%	23,167.64	75.63%	4,276.92	-6.97%	(43.44)	67.42%	4,233.48
Foreign subsidiaries								
Endurance Amann GmbH	10.62%	3,191.90	2.21%	125.07	3.09%	19.27	2.30%	144.34
Endurance Overseas Srl	24.84%	7,467.16	22.10%	1,249.83	18.92%	117.97	21.78%	1,367.80
Eliminations	-12.53%	(3,766.26)	0.06%	3.52	84.96%	529.85	8.50%	533.37
Total	**100.00%**	**30,060.44**	**100.00%**	**5,655.34**	**100.00%**	**623.65**	**100.00%**	**6,278.99**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

40 During the year, the Company announced a Voluntary Separation scheme (VSS) for its employees, who have completed minimum 10 years of service and are above 40 years of age at its B-2 Waluj plant. Eighty six employees opted for the scheme. The company settled the dues to employees on 1st December, 2020. The company also paid ₹ 112.25 million as separation compensation to the said employees on 27th November, 2020 which is disclosed as an exceptional item in the statement of profit and loss.

41 Asset held for sale:

Following the acquisition of Endurance Adler S.p.A., as part of the consequent re-organisation of its activities, the Group proceeded to identify a potential buyer for a portion of the industrial complex located in Rovereto (Trento - Italy).

Based on the signing of a preliminary sales agreement during March, 2021, the mentioned portion of the property involved in the sale was classified as an "Asset Held For Sale" and adjusted to its current value (as defined in the preliminary sales agreement) of € 1,275,000 (₹ 109.78 million).

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2021
Place: Pune

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN: 00191467)

Sunil Lalai
Company Secretary & Executive
Vice President–Legal
(Membership No.: A8078)

Date: 19th May, 2021

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Related Party Disclosure

(For the year ended 31st March, 2021)

(Refer Note 35)

a) List of Related Parties and nature of relationships

S.No	Description of Relationship	Name of Related Party/Persons
1	Key Management Personnel	Mr. Naresh Chandra, Chairman (upto 10th November, 2020)
		Mr. Soumendra Basu, Chairman (w.e.f. 10th November, 2020)
		Mr. Anurang Jain, Managing Director
		Mr. Satrajit Ray, Director and Group CFO
		Mr. Ramesh Gehaney, Director and COO
		Mrs. Varsha Jain, Director (w.e.f. 10th November, 2020)
		Mr. Partho Datta, Independent Director (upto 1st May, 2021)
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mrs. Falguni Nayar, Independent Director (upto 9th February, 2021)
		Mr. Indrajit Banerjee, Independent Director (w.e.f. 9th February, 2021)
		Mr. Massimo Venuti, Non-executive Director
2	Relatives of Key Management Personnel with whom transactions have taken place	Mr. Naresh Chandra - Father of Mr. Anurang Jain
		Mrs. Suman Jain - Wife of Mr. Naresh Chandra
		Mrs. Varsha Jain - Wife of Mr. Anurang Jain
		Ms. Rhea Jain - Daughter of Mr. Anurang Jain
		Mr. Rohan Jain - Son of Mr. Anurang Jain
3	Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Varroc Engineering Limited (upto 10th November, 2020)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Related Party Disclosure

(For the year ended 31st March, 2021)

(Refer Note 35)

b) Transactions carried out with the related parties in ordinary course of business (Previous year figures are in brackets)

₹ in million

Nature of Transactions	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Purchase of raw material and components	-	-	2.22	2.22
	-	-	(48.60)	(48.60)
Remuneration - short term employee benefits	221.12	11.29	-	232.41
	(225.93)	(12.49)	-	(238.42)
Post employment and other long term benefits*	132.39	-	-	132.39
	(206.50)	-	-	(206.50)
Directors' sitting fees	2.22	-	-	2.22
	(2.46)	-	-	(2.46)
Directors' commission	10.75	-	-	10.75
	(10.75)	-	-	(10.75)
Professional fees	1.86	-	-	1.86
	(3.19)	-	-	(3.19)
Lease rent expense	10.29	-	-	10.29
	(9.26)	-	-	(9.26)
Reimbursement of travelling and other expenses	0.03	0.02	-	0.05
	(0.84)	-	-	(0.84)
Dividend paid	-	-	-	-
	^(974.68)	#(185.79)	-	(1,160.47)
Expenses recovered **	-	-	0.00	0.00
	-	-	-	-
Other income **	-	-	0.00	0.00
	-	-	(0.01)	(0.01)
Balances Outstanding as at 31st March, 2021				
i) Payables	5.99	0.27	-	6.26
	(12.44)	(0.22)	(1.87)	(14.53)
iii) Security deposit receivable	2.45	-	-	2.45
	(2.37)	-	-	(2.37)

* *Post employment benefits payable in the form of gratuity and other long term benefits in the form of compensated absences are calculated on the basis of actuarial valuation. Amount payable to executive directors in India and their relatives as at 31st March, 2021 and previous year cannot be separately identified and therefore has not been included in above. There are no share based payments given to Key Management Personnel and their relatives.*

^ *Includes Nil (₹ 311.30 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.*

^ *Includes Nil (₹ 186.01 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.*

\# *Includes Nil (₹ 185.79 million) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.*

** *Transaction amount is below ₹ 0.01 million.*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Related Party Disclosure

(For the year ended 31st March, 2021)

(Refer Note 35)

c) **Disclosure in respect of material transactions with related parties (Previous year figures are in brackets)**

₹ in million

Nature of Transactions	Varroc Engineering Limited
Purchase of raw material and components	2.22
	(48.60)
Other Income *	0.00
	(0.01)
Expenses Recovered *	0.00
	-
Balances Outstanding as at the end of the year	
Payables	-
	(1.87)

Outstanding balances as at the year end are unsecured and settlement occurs in cash and cash equivalents. There are no guarantees provided or received for any related party receivables/payables.

* *Transaction amount is below ₹ 0.01 million.*

FORM AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in ₹ million except % of shareholding)

Sl. no.	Name of the subsidiary	Financial period ended	Reporting currency and Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
1.	Endurance Overseas SrL, Italy	31st March, 2021	1 EURO: INR 86.099 (for balance sheet items); 1 EURO: INR 86.5594 (for P&L items)	1,386.65	2,585.77	8,936.80	4,964.38	4,116.60	741.18	658.00	(162.13)	820.13	-	100#
2.	Endurance SpA, Italy*	31st March, 2021	1 EURO: INR 86.099 (for balance sheet items); 1 EURO: INR 86.5594 (for P&L items)	430.50	6,131.34	16,275.62	9,713.78	0.02	11,691.80	752.10	(44.07)	796.17	-	100
3.	Endurance Castings SpA, Italy*	31st March, 2021	1 EURO: INR 86.099 (for balance sheet items); 1 EURO: INR 86.5594 (for P&L items)	77.49	847.32	2,184.78	1,259.97	0.39	2,382.89	116.11	(2.36)	118.47	-	100
4.	Endurance Engineering SrL, Italy*	31st March, 2021	1 EURO: INR 86.099 (for balance sheet items); 1 EURO: INR 86.5594 (for P&L items)	8.61	449.29	898.67	440.77	-	838.24	81.63	27.69	53.94	-	100
5.	Endurance Adler SpA, Italy	31st March, 2021	1 EURO: INR 86.099 (for balance sheet items); 1 EURO: INR 86.5594 (for P&L items)	10.33	18.37	1,008.79	980.09	-	593.19	(123.35)	(17.29)	(106.06)	-	99
6.	Endurance Amann GmbH, Germany	31st March, 2021	1 EURO: INR 86.099 (for balance sheet items); 1 EURO: INR 86.5594 (for P&L items)	262.60	3,208.60	5,022.75	1,551.55	397.43	3,736.19	251.19	74.53	176.65	-	100

 # 95% of the share capital is held directly by the Company and remaining 5% share capital held by Endurance Amann GmbH, Germany, Wholly Owned Subsidiary of the Company

** Wholly Owned Subsidiary of Endurance Overseas Srl*

Note : The figures stated above are as per local GAAP of the country of respective subsidiary and have been converted in INR as per exchange rate mentioned in the table above.

Part "B": Associates and Joint Ventures: NIL

Name of Associates/Joint Ventures

1. Latest audited Balance Sheet Date
2. Shares of Associate/Joint Ventures held by the Company on the year end
   a) Number
   b) Amount of Investment in Associates/Joint Venture
   c) Extent of Holding %
3. Description of how there is significant influence
4. Reason why the Associate/Joint Venture is not consolidated
5. Net worth attributable to Shareholding as per latest audited Balance Sheet
6. Profit/Loss for the year
   a) Considered in Consolidation
   b) Not Considered in Consolidation

For and on behalf of the Board of Directors

Soumendra Basu
Chairman

Anurang Jain
Managing Director

Satrajit Ray
Director and
Group Chief Financial Officer

Sunil Lalai
Company Secretary and
Executive Vice President - Legal

Date: 19th May, 2021

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ENDURANCE
Complete Solutions

REGISTERED OFFICE

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